



FINANCIAL TIMES

No. 25,593

Monday November 1 1971

** 6p

Established 1820
SHOP, OFFICE & INDUSTRIAL PROPERTY CONSULTANTS

Healey & Baker

News Summary

RAL BUSINESS

Security October up profits, dividend rise 2.0. last

After an explosion early yesterday near the top of the Post Office Tower, London's tallest building, Scotland Yard ordered a guard on all the principal office buildings. The explosion damaged three of the tower and cut off 6 telephones and 1200 lights, down to nearly eight hours. The explosion was no accident, a 1-hour investigation and a spokesman said: "A quantity of powerful explosive was planted in the tower."

Page 5

Watch on buildings

Hours after the explosion, which injured no one, a spokesman for the Press Association in London claimed the explosion had been set by the "Independent". He said the next will be on the Victoria and the House of Lords of Parliament Buildings, later. The Provisional Dublin, denied responsibility.

Work is being made to seal the Home Secretary John Walwyn, the Police Commissioner Scotland Yard has been surveillance of buildings. The tower has been closed to the public until

scrutinised

and denied

Protestant militant, Ian Paisley, that direct Ulster by Whitehall was not denied by both all and Stormont. A spokesman said: "It is truth in this." In a delinquent, bound and gagged was victim of an IRA raid. IRA to mount challenge to Lynch. No threat after P.O. last night. Page 23

and ferries

I-U

Cross-Channel ferries again after a seaman involved in a dispute. French

also stopped of strike by ships

or hovercraft ser-

vice. Townsend Thoresen

is an Belgian ferry ser-

vice. Dover-Ostend re

continuing. Page 23

in forest

airer with two bodies as he found in dense near Bursfield, Hants. said plane had been

one on August 28.

Bent, 21, son of

Bent, was a passenger

from Lasham, for 10 miles of Wight.

is not seen since.

Melt on top

Paul, wealthy Vir-

ginian, the arts and

was owner in the

Flat rate season, which

in Satu, with stakes

of £150. He also

the English Derby

Mill Run. Page 31

as EC

had group a chance

when it is the Insti-

tion of the letter G

not P. The People's

of Cumbria which would

in the president;

system alphabetical

value

red and two years

military dominance

more on the part of

the Far East

Page 24

Y... ba Shin, 48, was

in Po. The Compt

ceremony at St.

theatral, Co. Most

are Chinese live

and Egypt

plant a successful

out on 20-year-old

Western firm. The kid from a

22 taxi to Moscow.

Winnipeg older of

Premium and lives

an. Page 25

Urgent moves in the U.S. to save some of aid programme

By GUY de JONQUIERES

Stung by the Senate's overwhelming and unexpected defeat of the Foreign Aid Bill, the Nixon Administration is hurriedly mounting a salvage operation in an attempt to restore at least a sizeable proportion of the vetoed funds.

The Senate action has been under a "continuing resolution" strongly deployed by the White Administration. Mr. William Rogers, the Secretary of State, is working on a proposal to extend this resolution for a deeply disheartening" and would induce U.S. foreign relations and its own national security at a particularly delicate turning-point in foreign policy. "We cannot afford to abandon our material support for those allies whose security may be at stake," he said.

South-East Asia

The defeat of the Bill has caused shock and surprise, even among those who voted against it on Capitol Hill, where Senator J. William Fulbright has

been meeting the Senate Foreign Relations Committee for to-morrow.

The committee is expected to discuss ways of restoring what Mr. Fulbright today described as "the less controversial aspects" of the foreign aid programme. But he and others have made clear that they will strongly resist any attempt by the Administration to revive the whole Bill in its entirety, and especially military aid to South-

East Asia.

During the first four months of this fiscal year foreign aid has been continued at last year's level.

THE INTERNATIONAL

Metalworkers' Federation at its

congress is called on national

associates to abandon a measure of their autonomy in order to

strengthen joint union action

against international corporations. Companies were becoming less dependent on profits from

any single country, it said.

Page 7

Ban will hit coal output

COAL PRODUCTION is expected to be cut by 15-20 per cent from today as the National Union of Miners begins its overtime bid for pay rises of up to 47 p cent. Stocks stand at about 30 tons and it will be some weeks before the effect of the ban felt.

During the first four months of this fiscal year foreign aid has been continued at last year's level.

THE INTERNATIONAL

Metalworkers' Federation at its

congress is called on national

associates to abandon a measure of their autonomy in order to

strengthen joint union action

against international corporations. Companies were becoming less dependent on profits from

any single country, it said.

Page 7

New look at regions

REGIONAL POLICY, particularly employment and need for effective use of manufacturing resources; low investment levels; and ways of reducing inflation are the issues

expects to be urged by the "four wise men" the National Economic Development Council at its Wed-

nesday meeting.

Mr. Wilson's ominous warning

delivered in a tough speech at Huddersfield, carries the probability of explosions for any further defiance of the Labour whip. It shows his determination to halt the internal conflict that is threatening to tear the Party apart.

Mr. Wilson's ominous warning

delivered in a tough speech at

Huddersfield, carries the probability of explosions for any

further defiance of the Labour

whip. It shows his determination

to halt the internal conflict that

is threatening to tear the Party

apart.

Pledge sought

Mr. Jenkins and many of his

colleagues have already declared

that they will not support

the Government's consequential

legislation after making their

stand of principle in last Thurs-

day's Commons vote, but what is

now demanded now is an

unqualified pledge that they will

not abstain either.

Such a promise would mean a

humiliating climb-down for

Mr. Jenkins and other pro-

Marketeers who have retained

their option to abstain.

Mr. Wilson's code of conduct

allows abstentions "on matters of

deeply-held personal conviction."

The other major move to bring

pressure on the pro-Marketeers

is appealing to party activists

from Labour Party chair-

Mr. Anthony Wedgwood

his intention to stand against

success is that he is unlikely to

make a personal statement to

the Queen's Speech.

Mr. Wilson's ominous warning

delivered in a tough speech at

Huddersfield, carries the probability of explosions for any

further defiance of the Labour

whip. It shows his determination

to halt the internal conflict that

is threatening to tear the Party

apart.

Page 25

Mrs. Gandhi's warning

By KEVIN RAFFERTY

MRS. INDIRA GANDHI, India's Prime Minister, gave a clear warning last night that India would not be tempted to take its own action to help the East Pakistan refugees back to their homes if no other help was prepared to help them back.

India, she said, had always favoured peace, "but there is such a thing as national interest, and we cannot allow our security, to suffer."

Mrs. Gandhi, at an emergency session of an attack on the Pakistani troops in East Bengal, but the whole tone of her address was one of a very strong warning.

"Everybody is now telling us that we should show restraint. I don't see how we could have any greater restraint in the face of this tremendous threat to our stability and security. Where has restraint been taken up?"

Mrs. Gandhi claimed: "Every single day brings 50,000 to 40,000 more refugees with new tales of horror, so hair-raising that one can't describe it."

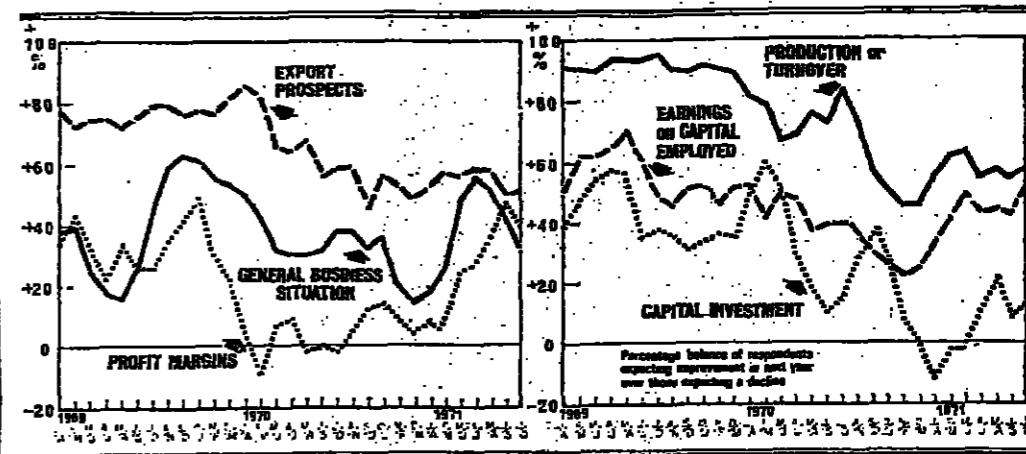
She attacked Pakistani claims that India was manufacturing arms with "all the weapons and ammunition we need."

Editorial Comment, page 12

See also page 7

FT Monthly Survey of Business Opinion

Inflation expected to ease off



INDUSTRY is now expecting to work through more sector—and in shipping, the third group covered by the rate of inflation to slacken generally, appreciably, judging from the latest survey. Forecasts of manpower requirements and capital spending plans remain on the whole monetary situation since President Nixon announced his

mechanical engineering—one balance of payments measures of the three sectors surveyed on August 15. These events in detail this time does not have been helpful to the

expect orders for engineering investment goods to pick up in the U.K. business

quarters of 1972. Even the chemicals group, which is normally fairly future profitability—industry's

show little change. The recovery which has begun in new sectors—car sales and private house-building—is obviously the main factor which has been here.

Letters to the Editor

BRACKEN HOUSE, CANNON STREET, LONDON, EC4

Industrial relations code

Sir.—In John Elliott's interesting and informative article of October 27 he refers to the "mass of comments" Robert Carr has received on the draft Code of Industrial Relations Practice from companies, employers' associations and other bodies.

One of our concerns in The Industrial Society (one of the bodies to which John Elliott refers) is that, perhaps predictably, the many companies that are already individually practising much of what the draft code is preaching are not coming forward in support of it. There is a real danger that the Minister and his advisers will be modifying the code in the light of the criticisms of management pressure groups (with their perfectly legitimate standpoints) without taking into account the silent majority of companies that, taken together, are already doing everything that the draft code advocates.

Certainly the draft code can be criticised, but it would be a tragedy if it were watered down. It should, if anything, be strengthened and extended—not emasculated. Admittedly there is provision for the code to be periodically revised, but the form in which it first appears will set the pattern for the future. It's important to get it as near possible right first time.

Achievement

John Elliott refers to the status quo issue. We are much more concerned about the achievement of change of which the status quo issue is but one form—a negative and narrow one. The achievement of change, whether in organisation, technology, marketing policies, management levels, pay structures or whatever, is essential for, at worst, the survival and, at best, the prosperity of individual undertakings and the economy as a whole. It needs to be included in the code, not as a pious hope, but because the Minister says that the code aims to bring the standards of the majority much nearer those of the best."

There are already collective agreements between companies and unions with clauses to the effect that the company agrees that before implementing alterations to conditions of employment or major changes in established work practices it will consult the unions and resolve any consequent issues through the negotiating procedure. That is how the achievement of change looks in a procedure agreement,

but there are of course other ways in which it could be brought into the code, for example in the communication and consultation section.

Patrick Tolfree,
Industrial Relations Department,
The Industrial Society.
Robert Hyde House,
43, Bryanston Square, W.1.

Management teaching

Sir.—The Second Report of the NEDO Management Education, Training and Development Committee (October, 1971) is interesting and valuable and one finding in particular seems worthy of comment.

Appendix D (pp. 10-11) is a plea that a greater volume of public funds should be made available for the support of post-graduate students, and that

"emphasis should be put

encouraging the post-experience student. The prominence given

to the need to attract students with experience is to be welcomed.

It seems to us that at the present time far too high a proportion of grants from public funds goes to the support of the immediate post-graduate, sans-experience student, and that this is undesirable not only because it means that the seeds of management learning are failing for the most part on stony and unprepared ground, but equally important because the inexperienced and consequently unreactive nature of his immediate post-graduate audience fails to demand the best standards of the management teacher or to promote them in the teaching method.

If management teaching is to be meaningful and progressive it must be conducted in an atmosphere of critical discussion based on practical experience.

T. E. A. K. Jackson,
Principal of the College and
Doyen of the School of
Management Studies,
The St. Helens College of
Technology.

St. Helens, Lancs.

There are already collective agreements between companies and unions with clauses to the effect that before implementing alterations to conditions of employment or major changes in established work practices it will consult the unions and resolve any consequent issues through the negotiating procedure. That is how the achievement of change looks in a procedure agreement,

but there are of course other ways in which it could be brought into the code, for example in the communication and consultation section.

Patrick Tolfree,
Industrial Relations Department,
The Industrial Society.
Robert Hyde House,
43, Bryanston Square, W.1.

natural gas concentration rises to a dangerous level in flats, houses and homes. While the device does, as stated in the article, have application in industry, it is far more expensive and less reliable than the human nose for home and other applications where people are normally present.

In at least one other country, small but non-toxic amounts of foul-smelling mercaptans are injected at the works into natural gas for commercial and home use. With normal combustion, there is no objectionable smell; when there is a piping leak, or when the flame unexpectedly goes out, humans (and the local gas board) soon know about it!

How many gas mishaps must occur before this simple, effective method is universally applied in Britain?

Leonard Hollander,
"Hollow Dene," Chilworth Road,
Chilworth, Southampton.

Transport in rural areas

Sir.—Ours is indeed an odd Welfare State. We provide doctors, hospitals, clinics, libraries, community centres, swimming pools, old people's clubs and numerous other services, yet we do not provide the means of getting to them. Even those bus services still running are on a downward spiral because the fares are so high.

I know people in this village in their 70's who walk the two miles into Stroud because they cannot afford bus fares out of their pension. Where there are no services, or they are so infrequent as to be useless, people have to hitch-hike, which is a very dangerous way of travelling, especially for young girls. Only yesterday I picked up an old lady walking to her doctor for a prescription. She admitted it was a great effort as she suffered from a spinal complaint, but had no one to send.

Most legislators, be they local councillors or MPs, are car owners and have no idea what it is like trying to get about out one. It is easy to talk about getting lifts but difficult to find someone going to a specific place at a specific time. Anyway, most people dislike asking favours.

I think anyone who has any influence on transport policy should try doing without a car for a month, preferably living in a fairly remote village. He would then realise that, while

National Transport Service is as necessary as a National Health Service?

The car is a great liberator for those who can afford it. Their liberation is, however, at the expense of poorer and weaker members of the community. As Mr. Norton pointed out, car owners are subsidised because so many huge items are paid for out of general taxation. Public transport is costed differently and must "pay." In other words, our way of life is distorted because of problems of accountancy and semantics.

Surely we should start thinking again about the whole problem, from first principles.

(Mrs.) H. M. Derrick
The Change, Randwick,
Stroud, Glos.

Small firms and EEC

National Transport Service is as necessary as a National Health Service?

The car is a great liberator for those who can afford it. Their liberation is, however, at the expense of poorer and weaker members of the community. As Mr. Norton pointed out, car owners are subsidised because so many huge items are paid for out of general taxation. Public transport is costed differently and must "pay." In other words, our way of life is distorted because of problems of accountancy and semantics.

The car is a great liberator for those who can afford it. Their liberation is, however, at the expense of poorer and weaker members of the community. As Mr. Norton pointed out, car owners are subsidised because so many huge items are paid for out of general taxation. Public transport is costed differently and must "pay." In other words, our way of life is distorted because of problems of accountancy and semantics.

Abdul Qayum
Press Counsellor,
Pakistan High Commission,
35, Lowndes Square, S.W.1.

scrap value and 3 per cent interest for 10 years the average interest is more than 4th the straight-line depreciation.

With higher rates of interest and high scrap values the interest element will be still higher as compared with the depreciation element in cost. There is nothing sinister about the omission of interest from cost, quite simply hardly anyone knows how to calculate the interest per unit output.

P. L. Griffiths
41, Gloucester Place, W.1.

Holybourne, Alton, Hants.

years in the country. Although it is true that smoke from domestic chimneys has been drastically reduced, I can say quite categorically that vehicle exhaust has made the air almost unbearable.

The worst offenders are London Transport, the Post Office and vehicles belonging to industrial companies (for instance diesel engines). I am sure it is this to which Mr. Nader was referring.

Positive measures are needed to prevent London becoming like Tokyo.

C. B. Denning,
19, Compton,
Holland, W.1.

Holybourne, Alton, Hants.

The Financial Times Mo

November 1, 1971

the small firm. Indeed, it did not even get a brief mention in its terms of reference. Moreover, there is very little information available to the small firm, certainly no means of comparison with firms of similar size and predict group within the EEC. Apart from occasional visits by CBI teams there is no representation at Brussels for the small firm.

We at Enterprise are trying to persuade this Government to provide the right sort of representation, the right sort of information and the right sort of climate for the small firm. But the first step ought to be to request the Bolton Committee or what is left of it to follow up its inquiry with a report on the EEC. And that a sensible deadline be set so that any recommendations to fit our small firms on the same basis as their counterparts within the EEC could be implemented before the final entry. This surely is the least Britain's small firms expect.

David J. Instance,
Managing Editor,
Enterprise,
Maidstone Road,
Paddock Wood,
Kent.

Small business services

Sir.—I was surprised to read under the above heading (Oct. 28) that there was an unfinished demand for a central agency to categorise the "multitude of (management) services available to small firms."

In addition to the AIM register of consultants and EMSO publications on advisory services the linked network of local productivity associations provides this service for members and non-members alike. Dozens of inquiries per year are dealt with from "Amalgamation—who can arrange it?" to "Value Analysis—is there a reliable local consultant?" If the information or service is not available in the area, another association is almost certain to have the answer.

In most industrial areas the majority of small firms have been personally contacted to bring the service to their notice and are circulated at monthly intervals.

J. B. Aldred,
Productivity Officer,
British Productivity Council,
Bristol and Bath Association,
40, Whiteladies Road,
Clifton, Bristol.

Talks to-day on Liverpool Airport future

THE FUTURE of Liverpool Airport, which is losing money, will be discussed at a special meeting of the corporation's transportation and basic services committee to-day.

The committee will examine special reports and ways undertaken to alleviate and remove research experts which in one's victories last season were achieved over fences, is nevertheless decidedly useful over the minor obstacles and will go well in the Six Hills Handicap Hurdle (1.45), though it is questionable whether either he or Hally Percy will be able to contain Marshal Who, from R. Akehurst's Epsom stable.

A request for Government aid was turned down a year ago with a suggestion that other local authorities could be asked to share the burden.

One view expressed was to close the airport but keep the new runway in condition against the time of saturation at other airports which would direct traffic to Liverpool.

A call for

smelly gas

Sir.—Why do humans often look for complex solutions to simple problems? Your October 27 Technical Page reported on a device which gives warning when

there are smells in the air.

It is a fact that

there are smells in the air.

It is a fact that

there are smells in the air.

It is a fact that

there are smells in the air.

It is a fact that

there are smells in the air.

It is a fact that

there are smells in the air.

It is a fact that

there are smells in the air.

It is a fact that

there are smells in the air.

It is a fact that

there are smells in the air.

It is a fact that

there are smells in the air.

It is a fact that

there are smells in the air.

It is a fact that

there are smells in the air.

It is a fact that

there are smells in the air.

It is a fact that

there are smells in the air.

It is a fact that

there are smells in the air.

It is a fact that

there are smells in the air.

It is a fact that

there are smells in the air.

It is a fact that

there are smells in the air.

It is a fact that

there are smells in the air.

It is a fact that

there are smells in the air.

It is a fact that

there are smells in the air.

It is a fact that

there are smells in the air.

It is a fact that

there are smells in the air.

It is a fact that

there are smells in the air.

It is a fact that

there are smells in the air.

It is a fact that

there are smells in the air.

It is a fact that

there are smells in the air.

It is a fact that

there are smells in the air.

It is a fact that

there are smells in the air.

It is a fact that

there are smells in the air.

It is a fact that

there are smells in the air.

It is a fact that

there are smells in the air.

It is a fact that

there are smells in the air.

It is a fact that

there are smells in the air.

It is a fact that

there are smells in the air.

It is a fact that

there are smells in the air.

It is a fact that

there are smells in the air.

It is a fact that

The Financial Times Tuesday November 1 1971

Donaueschinger

Musiktage

by DOMINIC GILL

Donaueschingen lies on the evidence of Stockhausen's influence in the rest of the programme. More, perhaps, in the opening event, we gathered in the cold afternoon sun outside the Schloss Fürstenberg to hear the Czech Ivan Park's Tannhäuser for wind instruments, tape and bells played from the balcony—10 minutes of simple, sweet sounds mixed at their close with the ringing of bells from all over the town. And then to the Stadthalle for the first concert, which began aptly with a homage to Stravinsky: four late works, the T. S. Eliot *Intricatus* and the Aldous Huxley *Variations*, together with the two towers of the lovely Bohemian-Jarousek church of St. John.

But for the musicians at least, Donaueschingen has special significance, the venue of one of Europe's oldest and least-known "folk" festivals of new music.

Half a century ago, in July 1921, a committee chaired by Richard Strauss and including among its members Ferruccio Busoni, Arthur Nikisch and Hans Pfitzner, unveiled there the first of the "Donaueschinger Kammermusikauführungen"—a festival of chamber music to which composers of every colour and allegiance were invited to submit new works. And since 1921 Donaueschingen has continued to provide a early showcase for the established and not so established avant-garde. After the war, under the devoted direction of Heinrich Strobel, the festival began a new and fruitful period of expansion in association with the Firstenberg and the South German Radio of Baden-Baden, enlarging its scope to include not only chamber works but all kinds of new music. Hindemith and Stravinsky (and more recently Stockhausen), as well as the conductors Scherchen and Rosbaud, are the great names most intimately associated with the *Musiktage*; but a host of others since and beside these have all played their essential part.

That first programme of 1921 contained (as programmes at festivals of new music notoriously do, and inevitably must) the names of composers who were soon forgotten, even if their share in the encouragement and practice of the music of their day was often considerable: who has heard now, for instance, of Franz Phillip, Karl Horwitz or Rudolf Peters? But there were other names too, in the same programme and in the same milieu, which have stood the test of time in an age still publicly tuned to 19th-century notions of masterminds and masterworks: Paul Hindemith (whose third string quartet was first performed in the second concert), Alban Berg, the piano sonata on 11, Erich Krenz (the Serenade for cello and string trio). We may question whether all of these names have the particular relevance to-day that they once did; but there is no doubt of the vital role played by such festivals as Donaueschingen—and Graz and Paris, which I shall be writing about later in the week—in establishing the milieu, and above all sustaining it in whatever direction it wishes to move.

This year Donaueschingen not only celebrated its bi-centenary, but mourned the death of its director, Heinrich Strobel; and it was left to his successor, Otto Tomek, to pick up the difficult threads of a half-finished programme. He gave us a satisfying and stimulating two days nonetheless, arranging and confirming Dr. Strobel's commissions and adding some interesting ones of his own. The most memorable of these, Stockhausen's new *Trans* for symphony orchestra and tape, deserves an article to itself. I heard it again later in Paris, where it was more confidently and correctly performed in Donaueschingen. But even then it was the week-end's most exciting and provoking event.

Surprisingly, there was little

and unmistakable.

A good piece, built with a sensitive ear for subtle changes in layers of sound, and a sure feeling for direction and shape, all the qualities indeed that the first piece of the festival's finale in the huge Brothel at the Stadthalle lacked. A three-part work, it began with a chamber of art piece by Penderecki (mix well, sit with random noise, and boil for 30 minutes) but grew better and better. I rather liked the Don Cherry's hand's exuberant work, after out of one basic melodic cell, after another—though there was one section in particular of his "Life Exploring Force Music" that reminded me less of Home on the Range with Cole Porter, Messiah and Rusty Conway. The Soft Machine's three productions, on the other hand, made a grand and savage climax, and included some real live exploring. No concessions here to pretty tastes, but their claims to the Miller's were both serious and unmistakable.

Festival Hall

Kyung-Wha Chung

by GILLIAN WIDDICOMBE

It is now a year and a half since that extraordinary evening when the young Korean violinist Kyung-Wha Chung made her Festival Hall debut at short notice, playing in the Chaikovsky concerto. Since then she has been the biggest, most immediately successful star of all the bright young musicians like Lupu, Zukerman, Perlman and du Pré. She has recorded the Chaikovsky and Sibelius concertos for Decca, toured with the LSO, appeared on television with the Mendelssohn, and at the Festival Hall has played the Stravinsky, the Bruch, Scottish Fantasy, and last Thursday the Bruch G minor.

Of all these concertos, I reckon the Bruch and the Chaikovsky to be the most perfectly suited to her style and musicianship. Thursday's Bruch was as stunning as last year's Chaikovsky. Miss Chung has that intuitive, impulsive kind of musical style that makes the Bruch into a lavishly expressive work, which makes it seem a substantial concerto instead of a slender fiddler's fancy. From the opening sentence, it was passionate, romantic playing, with superbly arched phrases, with melodic lines that sang sweetly on the higher strings, huskily on the lower.

Her technique is fiercely agile; her attention to woodwind intonation unusually intelligent. But there is one truly extraordinary quality: it is the energy in her playing which enables her to project long sequences of double-stopping like a shower of darts in

sharp formation. The only drawback is when the impulsiveness overflows, and for a few bars she does something incredibly witty, like chewing up semi-quavers, intended as counterpoint to the orchestra, instead another solo sequence. In short, she has the ideal concerto temperament. Warmth and force are her strong suits, whereas the Bruch and Chaikovsky, wit and elegance are less developed, which temporarily withdraws the Mendelssohn. It will be fascinating to hear her play the Walton next year. And the Bruch and Beethoven? For those, perhaps rightly, we must wait longer, though her plans outside London may well include them.

Kempé and the Royal Philharmonic provided a discreet accompaniment to the Bruch, and finished the programme with Dvorák's Eighth Symphony. The Dvorák is one of their special symphonies, and they played it firmly, smoothly, and with the kind of lyrical feeling that Kempé releases as quickly as Boulez freezes. The Prokofiev Classical Symphony, which began the concert, is evidently not one of their specialities, nor with Kempé is it likely to become so. His tempo for the first movement was heavy and slow, and the other movements were coated in clumsy ponder. As luck would have it, my Prokofiev score contained detailed markings from an exuberant Russian ballet performance—from the minder of the lightness and brightness most commonly associated with this symphony.

Covent Garden

Falstaff

by ELIZABETH FORBES



Peter Glossop and Regina Resnik

Conductors of *Falstaff* at Covent Garden since the First World War have included Sirs. Beecham, de Sabata, Giulini and Solti. The list is a formidable one, enough to terrify anyone who picks up the score in the Opera House pit to direct a performance of Verdi's comic masterpiece. On the whole Aldo Ceccato, who conducted Zeffirelli's production on Friday night, came through his ordeals unscathed. His is not a particularly brilliant or witty reading, but it does bring out the marvellous golden autumnal glow that illuminates the opera, and which sometimes gets lost in more dazzling performances. Zeffirelli's production, now 10 years old, was rehearsed by Andre Anderson. It has got a blunder round the edges, and in the first scene at the Carter Inn the comedy has degenerated into farce. But elsewhere the slapstick is held in check, while the sets and costumes look as attractive as ever, and are as beautifully lit. Zeffirelli made a special visit to Windsor Forest to see how the roots of the oak trees grow, and the result of this meticulous attention to detail is still apparent.

Peter Glossop was singing *Falstaff* for the first time at Covent Garden. He is not a natural comic tenor. Gaiety Evans on *The Gobbi* and on *Die Fledermaus* have imagined that he would feel more at home in the part of Ford. Wisely he did not Van Alian's gaunt and haggard attempt to copy any of his *Pistol*, the rest of the cast was

With the exception of Richard

Businessman's Diary

'Instant' hall for Preston

AN "INSTANT" exhibition hall covering at least 60,000 square feet is to be a feature of the 1972 Preston Guild, the trade festival held in the Lancashire town every 20 years. Davies Bryon and Co. is to erect the canvas-roof structure which could reach 90,000 square feet if interest in the Guild continues to grow. It is planned to have 150 stands, half of which have already been sold.

The company has the U.K. rights to the Keespan system of building which was developed by the West German firm of L. Stromeyer in conjunction with the University of Stuttgart. The buildings with their canvas roofs and pvc-coated polyester side walls are designed to withstand changing weather conditions over long periods. Keespan buildings are booked for the Scottish fisheries exhibition and the Open golf championship next year and they can be erected or dismantled at the rate of 1,000 square metres a day. To run from August 26 to September 9, the Preston Guild was first held in 1928.

Brighton fair selling well

A SELL-OUT of space at next year's Brighton International exhibition and trade fair is expected by the organisers, partly because of the decision to join the Common Market.

In future the event which is sponsored by local interests and the Federation of Sussex Industries, will aim to attract a greater exchange of Anglo-European business.

More than three of the previously available space has already been booked and, if necessary, additional space will be used which could double the size of the event. Government enquiries for 1972 include Holland and Australia.

Programmed brewing

WITH some six months to go, Brewex, the International Brewing, Bottling and Allied Trades Exhibition, has 175 companies booked in including some from Germany, Norway and America. Exhibitors who have so far forecast what they will be showing range from makers of large-scale handling and packaging machinery through automated soft drinks aggregates, to programmed brewing equipment and sophisticated control methods. Brewex will be at Earls Court, London, from April 17-21.

U.K. TRADE FAIRS AND EXHIBITIONS

Current	Israel Fashion Week (cl. Nov. 3)	Venue
Nov. 2-4	Research and Clinical Lab. Equip. Ex. (cl. Nov. 5)	Bloomsbury Centre Htl. W.C.
Nov. 4-19	Welsh Packaging and Plastics Show	U.S. Trade Center, S.W.
Nov. 8-11	Careers '71 Exhibition	Sophia Gardens, Cardiff
Nov. 10-13	Pharmaceuticals, Toiletries and Cosmetics Exbn.	Bingley Hall, Birmingham
Nov. 10-20	Annual Southport Antiques Fair	Old and New Halls
Nov. 14-18	International Caravan and Camping Show	Cambridge Hall, Southport
Nov. 15-17	Intl. Domestic and Commercial Textiles Exbn.	Earls Court
Nov. 15-19	Leisure and Outdoor Furniture Exhibition	Mont Royal Hotel, W.
Nov. 16-18	National Low Cost Automation Exhibition	Boile Vue, Manchester
Nov. 17-27	Italian Fabrics Exhibition	Italian Trade Centre
Nov. 21-24	International Building Exhibition	Olympia
Nov. 23-24	Camping Trade Exhibition	Exhibition Centre, Harrogate
Nov. 23-Dec. 2	Scottish Electronics Exhibition	Waverley Market, Edinburgh
Nov. 28-Dec. 2	Wholesale Buyers' Gift Fair	Mount Royal Hotel, W.

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Current	International Aeronautics Show (cl. Nov. 3)	Nagoya, Japan
Current	International Household Fair (cl. Nov. 15)	Charleroi, Belgium
Nov. 3-5	European Fashion Fair	New York
Nov. 3-14	International Motor Show	Turin
Nov. 6-14	Clothing Textiles Trade Fair	Milan
Nov. 8-13	International Caravan and Winter Sports Show	Brussels
Nov. 9-13	International Furniture Fair	Utrecht
Nov. 11-17	Intl. Shipbuilding, Marine & Port Equip. Exbn.	Amsterdam
Nov. 13-21	International Book Fair	Belgrade
Nov. 14-19	International Bathroom Show	Stockholm
Nov. 15-18	National Business Show	Milan
Nov. 16-25	British Agricultural and Food Processing Exbn.	Montreal
Nov. 17-23	Commercial Catering Exhibition	Tel Aviv
Nov. 18-23	International Building Exhibition	Paris
Nov. 20-28	International Cycle and Motor Cycle Exhibition	Milan
Nov. 22-27	Camping, Outdoor Sports and Furniture Exbn.	Brussels
Nov. 23-28	International Clothing Textiles Exhibition	Zagreb, Yugoslavia
Nov. 25-29	Furniture Show	Frankfurt

BUSINESS AND MANAGEMENT CONFERENCES

Today	IPM: Computer Personnel in Management	Cannock, Staffs.
Nov. 2	Institute of Directors Annual Conference	Royal Albert Hall, W.
Nov. 2-3	Metrication Board: Going Metric—Engineering	Mayfair Theatre
Nov. 2-4	Brunei University: EEC—Problems & Opportunities	Centre Airport Htl. Heathrow
Nov. 4	BCE: National Building Maintenance Conference	Royal Garden Hotel, W.
Nov. 4-5	Method Development Group: Job Evaluation	Woodhouse Square, Leeds
Nov. 4-5	Training for Business: Microfilm Methods	Bloomsbury Centre, Htl. WC1
Nov. 4-6	BIM: Management by Objectives	The Criterion, W.
Nov. 4-8	Inst. of Work Study Practitioners Annual Conf.	Richmond Gate Htl. Surrey
Nov. 8	Gillet Bros.: Competition and Credit Control	Hotel Majestic, Harrogate
Nov. 8-11	Central London Poly: Cap. Expenditure Budget	Savoy Hotel, W.C.
Nov. 8-12	NCB Computer Power: Operations Management	33, Marylebone Road, N.W.1
Nov. 8-12	P-E Consulting Gp: Production Management	Cannock, Staffs.
Nov. 8-19	Dunchech Staff College: Accounting Systems	P.E. Centre, Egham
Nov. 9	Engineers' House: Basic Work Data	Dunchurch, Rugby
Nov. 10	Industrial Society: Suggestion Schemes	Clifton Down, Bristol
Nov. 10	James Morrell: Britain and the Common Market	Nembrind Hotel
Nov. 10-11	Building Research Station: Sound Insulation	Hilton Hotel, W.
Nov. 10-11	Management Studies Centre: Practical Pricing	Garrison Hotel, W.
Nov. 10-11	IPC Bus. and Ind. Training: Technology for Profit	Connaught Rooms, W.C.
Nov. 10-11	Lord Intel. Institute: Effective Management	Hilton Hotel, W.
Nov. 10-11	Financial Times: Tax Reform (VAT & Corp. Tax)	Connaught Rooms, W.C.
Nov. 10-12	Jenkins: Planning Press Relations	Europa Hotel, W.
Nov. 11	Inst. Mktg.: Construction—Opportunities in France	Connaught Rooms, W.C.
Nov. 11	Inst. Ind. Psychol.: Man at Work	Connaught Rooms, W.C.
Nov. 16-17	MCL: Stock Control and Reduction	Hilton Hotel, W.
Nov. 17	London Chamber Commerce: Office Environment	Connaught Rooms, W.C.
Nov. 18-20	Strategic Management: Integrated Marketing	Kensington Close Hotel, W.C.
Nov. 19	Inst. Chrt. Secs. and PERA: Going Public	Congress House, W.C.1
Nov. 19-21	Bristol University: Buildings for Agriculture	Prince of Wales Hotel, W.
Nov. 22-26	Harry Mitchell: Incentive Course	Elizabeth Suite, E.C.
Nov. 23	Pin. Techniques: Managing the Smaller Company	Royal Bath Hotel, Bournemouth
Nov. 24	BSC: The Industrial Relations Act and After	Melton Mowbray
Nov. 24-25	Planned Action: EEC: Industrial Integration	Tyndall Park Rd, Bristol
Nov. 24-25	Investors Chronicle: Financial Times: Unit Linked	Beeston, Nottingham
Nov. 24-25	London and the Public	Brown's Hotel, W.
Nov. 24-25	Guardian Bus. Servs.: Decision Techniques	Royal Lancaster Hotel, W.
Nov. 24-25	Clark Johnston: Managing Computer Staff	S. Ermyn's Hotel, W.
Nov. 24-25	Ed. for Bus. and Ind. Management Controls	Esso Petroleum Co. Ltd., S. E.
Nov. 24-25	Wales Ind. Mgt.: Managing Corp. Finance	Esso Petroleum Co. Ltd., S. E.
Nov. 24-25	School of Bus. Admin.: Presentation of Accounts	Esso Petroleum Co. Ltd., S. E.
Nov. 24-25	Inst. of Accountants and the Public	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Guardian Bus. Servs.: Decision Techniques	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Clark Johnston: Managing Computer Staff	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Ed. for Bus. and Ind. Management Controls	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Wales Ind. Mgt.: Managing Corp. Finance	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	School of Bus. Admin.: Presentation of Accounts	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Inst. of Accountants and the Public	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Guardian Bus. Servs.: Decision Techniques	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Clark Johnston: Managing Computer Staff	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Ed. for Bus. and Ind. Management Controls	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Wales Ind. Mgt.: Managing Corp. Finance	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	School of Bus. Admin.: Presentation of Accounts	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Inst. of Accountants and the Public	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Guardian Bus. Servs.: Decision Techniques	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Clark Johnston: Managing Computer Staff	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Ed. for Bus. and Ind. Management Controls	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Wales Ind. Mgt.: Managing Corp. Finance	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	School of Bus. Admin.: Presentation of Accounts	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Inst. of Accountants and the Public	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Guardian Bus. Servs.: Decision Techniques	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Clark Johnston: Managing Computer Staff	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Ed. for Bus. and Ind. Management Controls	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Wales Ind. Mgt.: Managing Corp. Finance	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	School of Bus. Admin.: Presentation of Accounts	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Inst. of Accountants and the Public	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Guardian Bus. Servs.: Decision Techniques	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Clark Johnston: Managing Computer Staff	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Ed. for Bus. and Ind. Management Controls	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Wales Ind. Mgt.: Managing Corp. Finance	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	School of Bus. Admin.: Presentation of Accounts	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Inst. of Accountants and the Public	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Guardian Bus. Servs.: Decision Techniques	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Clark Johnston: Managing Computer Staff	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Ed. for Bus. and Ind. Management Controls	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Wales Ind. Mgt.: Managing Corp. Finance	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	School of Bus. Admin.: Presentation of Accounts	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Inst. of Accountants and the Public	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Guardian Bus. Servs.: Decision Techniques	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Clark Johnston: Managing Computer Staff	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Ed. for Bus. and Ind. Management Controls	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Wales Ind. Mgt.: Managing Corp. Finance	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	School of Bus. Admin.: Presentation of Accounts	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Inst. of Accountants and the Public	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Guardian Bus. Servs.: Decision Techniques	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Clark Johnston: Managing Computer Staff	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Ed. for Bus. and Ind. Management Controls	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Wales Ind. Mgt.: Managing Corp. Finance	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	School of Bus. Admin.: Presentation of Accounts	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Inst. of Accountants and the Public	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Guardian Bus. Servs.: Decision Techniques	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Clark Johnston: Managing Computer Staff	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Ed. for Bus. and Ind. Management Controls	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Wales Ind. Mgt.: Managing Corp. Finance	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	School of Bus. Admin.: Presentation of Accounts	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Inst. of Accountants and the Public	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Guardian Bus. Servs.: Decision Techniques	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Clark Johnston: Managing Computer Staff	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Ed. for Bus. and Ind. Management Controls	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Wales Ind. Mgt.: Managing Corp. Finance	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	School of Bus. Admin.: Presentation of Accounts	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Inst. of Accountants and the Public	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Guardian Bus. Servs.: Decision Techniques	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Clark Johnston: Managing Computer Staff	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Ed. for Bus. and Ind. Management Controls	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Wales Ind. Mgt.: Managing Corp. Finance	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	School of Bus. Admin.: Presentation of Accounts	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Inst. of Accountants and the Public	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Guardian Bus. Servs.: Decision Techniques	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Clark Johnston: Managing Computer Staff	Harrison and Sons, Prent. 3 pc.
Nov. 24-25	Ed. for Bus. and Ind. Management Controls	Harrison and Sons, Prent. 3 pc.

New impetus for electoral challenge to Lynch

BY DOMINICK J. COYLE

The political wing of the official IRA, Sinn Fein (Gardiner Place), ended its annual conference here to-night reinforced in its determination to mount a major electoral challenge to Mr. Lynch, the Prime Minister. In order to determine what precise support exists within the country for aggressive republicanism.

Its opportunity may, in fact, come much earlier than even Sinn Fein would like—from an organisational point of view—since there are persistent reports here this week-end that Mr. Lynch is considering a snap general election before Christmas.

The Prime Minister has now decided to take on the back-bench dissident and the combined Fine Gael/Labour opposition in a major confrontation on November 10 by conceding Private Members time for a motion of

confidence in his Minister for Agriculture, Mr. James Gibbons.

Mr. Gibbons, formerly Minister for Defence, was a key State witness in the celebrated arms

conspiracy trial last year involving

the Minister for Finance, Mr.

Charles J. Haughey, and three

others. All four accused were

acquitted.

The no-confidence motion in

the name of Mr. Liam Cosgrave,

the Fine Gael Leader, suggests

that Mr. Gibbons misled the Dail

(Parliament) in exchanges arising

from the alleged arms conspiracy

and, accordingly, of his conduct

in unworthy of a member of the

Government.

Mr. Lynch, for his part, seems

determined to stand full square

behind Mr. Gibbons, thus

openly challenging the dissidents

to vote him down.

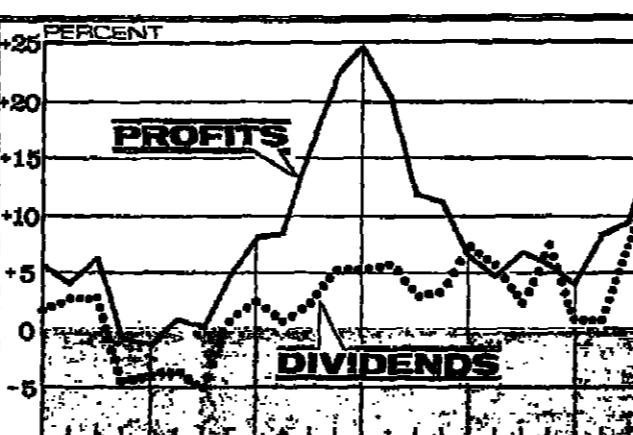
The dissidents include Mr.

Haughey and another former

DUBLIN, Oct. 31.

Big rise last month in profits and dividends

FINANCIAL TIMES REPORTER



PROFITS OF INDUSTRIAL COMPANIES Carreras. The profits of GUS, reporting in October, showed a which accounted for one-third of the total were only 5 per cent, up but those of Carreras were nearly

40 per cent better.

Dividends of industrial companies reporting in October followed the trend of profits, being 13.9 per cent above the level of the previous year. This was double the rise in the third quarter of the year and well above the average improvement of only 2.5 per cent for companies reporting to September.

In a month in which the number of reports analysed was comparatively small, the figures were greatly influenced by the results of two leading companies—Great Universal Stores and

154 per cent.

Of the leading companies

reporting, GUS improved its

dividend rate by 2.5 points to 42

per cent and the dividend rate of Carreras was one point higher

—Great Universal Stores and

154 per cent.

Rise in leisure motoring hits

National Parks

THE GROWTH of leisure motoring has "overtaken" the authorities running the 10 national parks in England and Wales and many more have recently started planning to cope with the car explosion," says the Ramblers' Association.

"We cannot avoid the conclusion that the parks have fallen

alarmingly short of the objectives for which they were established," it declares in evidence to the National Parks Review Committee.

While much beautiful country-side had been protected and industrial development had taken

place which would have been unthinkable to the people who pioneered the parks concept.

The Association says there are no signs that the Government or park authorities are preparing to adopt a sterner line. The parks

will also be seriously affected by the Government's decision to make £50m. available to aid mineral exploration because they are

largely situated on the older mineral-bearing rocks, it adds.

By 1975, the Association warns, the motorway building pro-

gramme will have increased the number of people within a three-

hour journey of an average national park from 11,140,000 to

14,760,000.

Exploratory talks will begin in London this week between Britain and Iceland on the declared intention of the Icelandic Government to extend its fishery limits from 12 miles to 30 miles.

It was agreed to hold the talks "without prejudice" after the visit to London in August of Mr. Elmar Agustsson, Icelandic Foreign Minister.

The talks will be at the level of

officials and are expected to last all day Wednesday and part of Thursday.

London talks on Iceland fishing limits

Exploratory talks will begin in London this week between Britain and Iceland on the declared intention of the Icelandic Government to extend its fishery limits from 12 miles to 30 miles.

It was agreed to hold the talks "without prejudice" after the visit to London in August of Mr. Elmar Agustsson, Icelandic Foreign Minister.

The talks will be at the level of

officials and are expected to last all day Wednesday and part of Thursday.

Construction ITB to cut levy

THE Construction Industry

Training Board has confirmed it

poses a drop in nearly 22 per

cent in the total levy to be collected in 1972-73.

The levy to be raised under the

proposed new rates will be about £17m. compared to about £22m.

being raised in 1971-72, as pre-

dicted by the Board earlier this

year and reported in the Finan-

cial Times on May 27.

Construction ITB to cut levy

THE Construction Industry

Training Board has confirmed it

poses a drop in nearly 22 per

cent in the total levy to be collected in 1972-73.

The levy to be raised under the

proposed new rates will be about £17m. compared to about £22m.

being raised in 1971-72, as pre-

dicted by the Board earlier this

year and reported in the Finan-

cial Times on May 27.

Construction ITB to cut levy

THE Construction Industry

Training Board has confirmed it

poses a drop in nearly 22 per

cent in the total levy to be collected in 1972-73.

The levy to be raised under the

proposed new rates will be about £17m. compared to about £22m.

being raised in 1971-72, as pre-

dicted by the Board earlier this

year and reported in the Finan-

cial Times on May 27.

Construction ITB to cut levy

THE Construction Industry

Training Board has confirmed it

poses a drop in nearly 22 per

cent in the total levy to be collected in 1972-73.

The levy to be raised under the

proposed new rates will be about £17m. compared to about £22m.

being raised in 1971-72, as pre-

dicted by the Board earlier this

year and reported in the Finan-

cial Times on May 27.

Construction ITB to cut levy

THE Construction Industry

Training Board has confirmed it

poses a drop in nearly 22 per

cent in the total levy to be collected in 1972-73.

The levy to be raised under the

proposed new rates will be about £17m. compared to about £22m.

being raised in 1971-72, as pre-

dicted by the Board earlier this

year and reported in the Finan-

cial Times on May 27.

Construction ITB to cut levy

THE Construction Industry

Training Board has confirmed it

poses a drop in nearly 22 per

cent in the total levy to be collected in 1972-73.

The levy to be raised under the

proposed new rates will be about £17m. compared to about £22m.

being raised in 1971-72, as pre-

dicted by the Board earlier this

year and reported in the Finan-

cial Times on May 27.

Construction ITB to cut levy

THE Construction Industry

Training Board has confirmed it

poses a drop in nearly 22 per

cent in the total levy to be collected in 1972-73.

The levy to be raised under the

proposed new rates will be about £17m. compared to about £22m.

being raised in 1971-72, as pre-

dicted by the Board earlier this

year and reported in the Finan-

cial Times on May 27.

Construction ITB to cut levy

THE Construction Industry

Training Board has confirmed it

poses a drop in nearly 22 per

cent in the total levy to be collected in 1972-73.

The levy to be raised under the

proposed new rates will be about £17m. compared to about £22m.

being raised in 1971-72, as pre-

dicted by the Board earlier this

year and reported in the Finan-

cial Times on May 27.

Construction ITB to cut levy

THE Construction Industry

Training Board has confirmed it

poses a drop in nearly 22 per

cent in the total levy to be collected in 1972-73.

The levy to be raised under the

proposed new rates will be about £17m. compared to about £22m.

being raised in 1971-72, as pre-

dicted by the Board earlier this

year and reported in the Finan-

cial Times on May 27.

Construction ITB to

Overseas News



Moves to clear Taiwan's status in world agencies

BY PAUL LEWIS, U.S. EDITOR

IN BRIEF

BEIRUT:

Mortada Abdellah

Hadithi has been appointed

Iran's new Foreign Minister to

replace Dr. Adel Karim Shukri

who has been named Ambas-

sador to the UN in the re-

substitution of senior Government

posts in September. Mr. Hadithi

who is aged 52, has been the Iraq

trouble-shooter with the Kurds.

He has been the head of the

Government-Kurdish peace com-

mission in charge of implement-

ing the agreement which last

year ended the Kurdish war in

Northern Iraq.

LUSAKA:

Former Zamblan

Vice-president Mr. Simon Kap-

wepwa has announced an official

registration of his United Pro-

gressive Party whose founding

was first publicised on August 22.

The registration means that the

UPP can now organise openly,

canvass membership and hold

meetings.

ALGERIA:

Former Williams Brothers

to study prospects of running a

natural gas pipeline from the

desert gasfield of Hassi R'Mel

through Morocco and the Strait

of Gibraltar to link the big in-

dustrial centres in Spain, France

Northern Italy, Switzerland, West

Germany and Belgium.

JOHANNESBURG:

Judgment

will be delivered to-day in the

Pretoria territorial court in which

the Dean of Johannesburg

Very Rev. Cowdile, French

Bavayagh is accused on a series

of charges of encouraging people

to use violence to overthrow the

South African Government.

SAIGON:

Nearly 3,000 former

prisoners were set free in a government

amnesty to mark President

Nguyen Van Thieu's inaugura-

tion yesterday.

JAPAN:

External reserves

reached a record \$14,088m. last

month, an increase of \$714m.

over September, the Finance

Ministry said.

CAMBODIA:

The national bank

set the official rate for the riel

at 139.72 to the \$1, diplomatic

sources said here. The new

parity means an effective de-

valuation of the riel of about

152 per cent. from the old level

of 55.42.

LAGOS:

Nigeria is expected

to-day to follow the U.S.

dollar, and break away from the

traditional links with sterling

effectively devalue the

Nigerian pound, commercial

bank sources said yesterday.

They said Nigeria had

dropped the two-tier system and

had established one rate—\$2.80

per ENI for both financial and

commercial transactions. The

decision to break from sterling

and follow the dollar means that

the ENI will in effect be

devalued about 4 per cent.

Metal workers

call for

solidarity

By Our Own Correspondent

LAUSANNE:

THE INTERNATIONAL METALWORKERS' FEDERATION has called upon its national affiliates to give up some measure of their autonomy to strengthen joint union action against international corporations. In a resolution adopted at the conclusion of the 22nd IMF congress here, it was noted that the power of each national was to respond to large companies was being weakened as these companies became less dependent on the profits drawn from a single country.

IMF, the resolution claimed,

must now undertake the complex

task of co-ordinating the movement of its affiliates towards concerted action.

There was also a flypast of 20

fixed-wing aircraft from HMS

SINGAPORE:

Eagle and 30 helicopters mainly

from Eagle and HMS Albion, the

command carrier.

It is understood that Eagle and

Albion will be among the ships

now proceeding to the Gulf to

cover the final withdrawal from

To-night I was the sole spec-

tator as Far East Command's

flag flying continuously since

1962 and the Union Jack were

pulled down for the last time by

a constable of the British

Ministry of Defence, attended by the RAF corporal

working as Far East Command's

last duty clerk.

At mid-night many British

connections with the area, per-

sonal as well as legal, were

severed. The Anglo-Malayan

defence agreement, with its auto-

matic commitment, expires

Britain now only retains an auto-

matic commitment to defend the

SINGAPORE:

oil-rich Borneo state of Brunei,

and, of course, Hong Kong. To-

morrow the British locally

recruited Singapore Guard Regi-

ment is disbanded. Also from

mid-night to-night, the waters

in and around the Johore

Straits technically cease to come

under the British Admiralty and

revert to the Port of Singapore

Authority.

But more than anything else,

the windup of the huge Far East

Command bases means the

reversion of one tenth of Singa-

pore to the Singapore Govern-

ment. This process will be com-

pleted in the next six weeks,

and presents the Government

with problems as well as oppor-

tunities.

The most eloquent valedictory

to Far East Command was given

by the Singapore Prime Minister

Mr. Lee Kuan Yew—now in

London—at a recent farewell

dinner to Sir Brian Burnett. "It

is difficult to underestimate the

contribution the British forces

have made to the stability and

security of the Malaysia-Singapore area," he said. "But for the forces of Far East Command during confrontation, it would have been a very different Southeast Asia, with a very different successor to the late Dr. Sukarno."

Part of the base continues as

the HQ of the new ANZUK task

force, activated at one minute

past mid-night to-night, under

the operational command of Rear

Admiral David Wells of the

Royal Australian Navy. Also at

mid-night the five-power

integrated air defence system

takes over full responsibility for

Malaysia-Singapore air defence.

It too, is under the overall com-

mand of an Australian Air Vice

Marshal Susan.

Eagle and 30 helicopters mainly

from Eagle and HMS Albion, the

command carrier.

It is understood that Eagle and

Albion will be among the ships

now proceeding to the Gulf to

cover the final withdrawal from

To-night I was the sole spec-

tator as Far East Command's

flag flying continuously since

1962 and the Union Jack were

pulled down for the last time by

a constable of the British

Ministry of Defence, attended by the RAF corporal

working as Far East Command's

last duty clerk.

At mid-night many British

connections with the area, per-

sonal as well as legal, were

severed. The Anglo-Malayan

defence agreement, with its auto-

matic commitment, expires

Britain now only retains an auto-

matic commitment to defend the

SINGAPORE:

oil-rich Borneo state of Brunei,

and, of course, Hong Kong. To-

morrow the British locally

recruited Singapore Guard Regi-

ment is disbanded. Also from

mid-night to-night, the waters

in and around the Johore

Straits technically cease to come

under the British Admiralty and

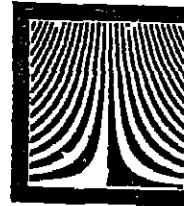
revert to the Port of Singapore

Authority.

But more than anything else,

the windup of the huge Far East

Command bases means the



The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

• RESEARCH

Drawings that come to life

USING a suitable computer, a visual display CRT unit, a light pen system and the appropriate software, it is already possible to produce engineering or other drawings on the screen which can be modified at will and allow inspection from any desired angle.

A further development of the technique has now emerged from Ohio State University in the United States which allows the creation of live three dimensional illustrations that change size, shape and also duplicate the movements of the objects they depict.

The illustrations, which are drawn on the face of the tube, respond when the artist instructs the computer to induce movement, follow a prescribed path or change from one shape to another.

The conventional method for creating animated illustrations a further step forward.

Getting it in focus

PROJECTED images on a screen may go out of focus for a number of reasons: the photographic emulsion on the film may vary in thickness; the film may distort; optical and other components in the projector may expand. Automatic retention of focus would be a welcome development, but only if the cost incurred were small since it is arguably a simple matter to correct manually.

An invention by private inventor David Fenner, taken up by NRDC and developed into a practical system by Sira Institute, deploys the picture itself to produce correction. It uses the fact that the variations in the

technique has been developed by Professor Charles Csuri of the university's College of Arts, and employs an IBM 1130 computing system and a 2250 graphic display unit. He believes that this technique for producing animated diagrams has educational and economic potential in schools, business, medicine, science and the television and motion picture industries.

Sequences of drawings made with the system can be recorded on video tape from the screen of the computer terminal. Then by processing the tape through a special converter, it is possible to produce a second tape that introduces any colour or combination of colours into the drawings.

The conventional method for creating animated illustrations a further step forward.

The importance to business and industry is also pointed out by the university, since it takes a computer-aided design idea

from the computer terminal, a

make-up and function of bodily organs."

The new system includes such elements as a closed television viewing system for safe, real-time monitoring of the trimming; a laser energy output monitor; a power box containing a power supply, a water-cooling system, a filtered air source, and control electronics.

In operation, the output energy from the laser head, a Model CYQ-3, vaporises a series of overlapping spots on the resistive material in the circuit, which is moving at a selected rate in its work handling fixture under the laser head. The fixture can be moved at four different speeds: 0.156, 0.313, 0.625, and 1.250 inches per second.

The numerical unit controls the path of the work fixture under the visually shielded laser head. The control system can be expanded to include computer or tape control if greater degrees of automation are required.

NRDC is sponsoring further development at Sira Institute, Chislehurst.

GEOFFREY CHARLISH

The technique has been developed for use in films or as visual aids calls for an artist to draw a new image or frame for each movement depicted. Not only will the new system save time, but it will also be possible "to do things that were never possible before". He continued: "Now, a teacher uses a blackboard to illustrate lectures and he often draws flow charts or graphs to demonstrate the points or concepts being made. How much more meaningful it would be to visually interpret, through dynamic animation, any concept from molecular structure to the make-up and function of continuous wave. The system is capable of both straight and L-trims on deposited resistive materials on a wide range of substrate materials and can be used for circuits up to two inches square."

The new system includes such elements as a closed television viewing system for safe, real-time monitoring of the trimming; a laser energy output monitor; a power box containing a power supply, a water-cooling system, a filtered air source, and control electronics.

In operation, the output energy from the laser head, a Model CYQ-3, vaporises a series of overlapping spots on the resistive material in the circuit, which is moving at a selected rate in its work handling fixture under the laser head. The fixture can be moved at four different speeds: 0.156, 0.313, 0.625, and 1.250 inches per second.

The numerical unit controls the path of the work fixture under the visually shielded laser head. The control system can be expanded to include computer or tape control if greater degrees of automation are required.

NRDC is sponsoring further development at Sira Institute, Chislehurst.

GEOFFREY CHARLISH

The new system includes such elements as a closed television viewing system for safe, real-time monitoring of the trimming; a laser energy output monitor; a power box containing a power supply, a water-cooling system, a filtered air source, and control electronics.

In operation, the output energy from the laser head, a Model CYQ-3, vaporises a series of overlapping spots on the resistive material in the circuit, which is moving at a selected rate in its work handling fixture under the laser head. The fixture can be moved at four different speeds: 0.156, 0.313, 0.625, and 1.250 inches per second.

The numerical unit controls the path of the work fixture under the visually shielded laser head. The control system can be expanded to include computer or tape control if greater degrees of automation are required.

NRDC is sponsoring further development at Sira Institute, Chislehurst.

GEOFFREY CHARLISH

The new system includes such elements as a closed television viewing system for safe, real-time monitoring of the trimming; a laser energy output monitor; a power box containing a power supply, a water-cooling system, a filtered air source, and control electronics.

In operation, the output energy from the laser head, a Model CYQ-3, vaporises a series of overlapping spots on the resistive material in the circuit, which is moving at a selected rate in its work handling fixture under the laser head. The fixture can be moved at four different speeds: 0.156, 0.313, 0.625, and 1.250 inches per second.

The numerical unit controls the path of the work fixture under the visually shielded laser head. The control system can be expanded to include computer or tape control if greater degrees of automation are required.

NRDC is sponsoring further development at Sira Institute, Chislehurst.

GEOFFREY CHARLISH

The new system includes such elements as a closed television viewing system for safe, real-time monitoring of the trimming; a laser energy output monitor; a power box containing a power supply, a water-cooling system, a filtered air source, and control electronics.

In operation, the output energy from the laser head, a Model CYQ-3, vaporises a series of overlapping spots on the resistive material in the circuit, which is moving at a selected rate in its work handling fixture under the laser head. The fixture can be moved at four different speeds: 0.156, 0.313, 0.625, and 1.250 inches per second.

The numerical unit controls the path of the work fixture under the visually shielded laser head. The control system can be expanded to include computer or tape control if greater degrees of automation are required.

NRDC is sponsoring further development at Sira Institute, Chislehurst.

GEOFFREY CHARLISH

The new system includes such elements as a closed television viewing system for safe, real-time monitoring of the trimming; a laser energy output monitor; a power box containing a power supply, a water-cooling system, a filtered air source, and control electronics.

In operation, the output energy from the laser head, a Model CYQ-3, vaporises a series of overlapping spots on the resistive material in the circuit, which is moving at a selected rate in its work handling fixture under the laser head. The fixture can be moved at four different speeds: 0.156, 0.313, 0.625, and 1.250 inches per second.

The numerical unit controls the path of the work fixture under the visually shielded laser head. The control system can be expanded to include computer or tape control if greater degrees of automation are required.

NRDC is sponsoring further development at Sira Institute, Chislehurst.

GEOFFREY CHARLISH

The new system includes such elements as a closed television viewing system for safe, real-time monitoring of the trimming; a laser energy output monitor; a power box containing a power supply, a water-cooling system, a filtered air source, and control electronics.

In operation, the output energy from the laser head, a Model CYQ-3, vaporises a series of overlapping spots on the resistive material in the circuit, which is moving at a selected rate in its work handling fixture under the laser head. The fixture can be moved at four different speeds: 0.156, 0.313, 0.625, and 1.250 inches per second.

The numerical unit controls the path of the work fixture under the visually shielded laser head. The control system can be expanded to include computer or tape control if greater degrees of automation are required.

NRDC is sponsoring further development at Sira Institute, Chislehurst.

GEOFFREY CHARLISH

The new system includes such elements as a closed television viewing system for safe, real-time monitoring of the trimming; a laser energy output monitor; a power box containing a power supply, a water-cooling system, a filtered air source, and control electronics.

In operation, the output energy from the laser head, a Model CYQ-3, vaporises a series of overlapping spots on the resistive material in the circuit, which is moving at a selected rate in its work handling fixture under the laser head. The fixture can be moved at four different speeds: 0.156, 0.313, 0.625, and 1.250 inches per second.

The numerical unit controls the path of the work fixture under the visually shielded laser head. The control system can be expanded to include computer or tape control if greater degrees of automation are required.

NRDC is sponsoring further development at Sira Institute, Chislehurst.

GEOFFREY CHARLISH

The new system includes such elements as a closed television viewing system for safe, real-time monitoring of the trimming; a laser energy output monitor; a power box containing a power supply, a water-cooling system, a filtered air source, and control electronics.

In operation, the output energy from the laser head, a Model CYQ-3, vaporises a series of overlapping spots on the resistive material in the circuit, which is moving at a selected rate in its work handling fixture under the laser head. The fixture can be moved at four different speeds: 0.156, 0.313, 0.625, and 1.250 inches per second.

The numerical unit controls the path of the work fixture under the visually shielded laser head. The control system can be expanded to include computer or tape control if greater degrees of automation are required.

NRDC is sponsoring further development at Sira Institute, Chislehurst.

GEOFFREY CHARLISH

The new system includes such elements as a closed television viewing system for safe, real-time monitoring of the trimming; a laser energy output monitor; a power box containing a power supply, a water-cooling system, a filtered air source, and control electronics.

In operation, the output energy from the laser head, a Model CYQ-3, vaporises a series of overlapping spots on the resistive material in the circuit, which is moving at a selected rate in its work handling fixture under the laser head. The fixture can be moved at four different speeds: 0.156, 0.313, 0.625, and 1.250 inches per second.

The numerical unit controls the path of the work fixture under the visually shielded laser head. The control system can be expanded to include computer or tape control if greater degrees of automation are required.

NRDC is sponsoring further development at Sira Institute, Chislehurst.

GEOFFREY CHARLISH

The new system includes such elements as a closed television viewing system for safe, real-time monitoring of the trimming; a laser energy output monitor; a power box containing a power supply, a water-cooling system, a filtered air source, and control electronics.

In operation, the output energy from the laser head, a Model CYQ-3, vaporises a series of overlapping spots on the resistive material in the circuit, which is moving at a selected rate in its work handling fixture under the laser head. The fixture can be moved at four different speeds: 0.156, 0.313, 0.625, and 1.250 inches per second.

The numerical unit controls the path of the work fixture under the visually shielded laser head. The control system can be expanded to include computer or tape control if greater degrees of automation are required.

NRDC is sponsoring further development at Sira Institute, Chislehurst.

GEOFFREY CHARLISH

The new system includes such elements as a closed television viewing system for safe, real-time monitoring of the trimming; a laser energy output monitor; a power box containing a power supply, a water-cooling system, a filtered air source, and control electronics.

In operation, the output energy from the laser head, a Model CYQ-3, vaporises a series of overlapping spots on the resistive material in the circuit, which is moving at a selected rate in its work handling fixture under the laser head. The fixture can be moved at four different speeds: 0.156, 0.313, 0.625, and 1.250 inches per second.

The numerical unit controls the path of the work fixture under the visually shielded laser head. The control system can be expanded to include computer or tape control if greater degrees of automation are required.

NRDC is sponsoring further development at Sira Institute, Chislehurst.

GEOFFREY CHARLISH

The new system includes such elements as a closed television viewing system for safe, real-time monitoring of the trimming; a laser energy output monitor; a power box containing a power supply, a water-cooling system, a filtered air source, and control electronics.

In operation, the output energy from the laser head, a Model CYQ-3, vaporises a series of overlapping spots on the resistive material in the circuit, which is moving at a selected rate in its work handling fixture under the laser head. The fixture can be moved at four different speeds: 0.156, 0.313, 0.625, and 1.250 inches per second.

The numerical unit controls the path of the work fixture under the visually shielded laser head. The control system can be expanded to include computer or tape control if greater degrees of automation are required.

NRDC is sponsoring further development at Sira Institute, Chislehurst.

GEOFFREY CHARLISH

The new system includes such elements as a closed television viewing system for safe, real-time monitoring of the trimming; a laser energy output monitor; a power box containing a power supply, a water-cooling system, a filtered air source, and control electronics.

In operation, the output energy from the laser head, a Model CYQ-3, vaporises a series of overlapping spots on the resistive material in the circuit, which is moving at a selected rate in its work handling fixture under the laser head. The fixture can be moved at four different speeds: 0.156, 0.313, 0.625, and 1.250 inches per second.

The numerical unit controls the path of the work fixture under the visually shielded laser head. The control system can be expanded to include computer or tape control if greater degrees of automation are required.

NRDC is sponsoring further development at Sira Institute, Chislehurst.

GEOFFREY CHARLISH

The new system includes such elements as a closed television viewing system for safe, real-time monitoring of the trimming; a laser energy output monitor; a power box containing a power supply, a water-cooling system, a filtered air source, and control electronics.

In operation, the output energy from the laser head, a Model CYQ-3, vaporises a series of overlapping spots on the resistive material in the circuit, which is moving at a selected rate in its work handling fixture under the laser head. The fixture can be moved at four different speeds: 0.156, 0.313, 0.625, and 1.250 inches per second.

The numerical unit controls the path of the work fixture under the visually shielded laser head. The control system can be expanded to include computer or tape control if greater degrees of automation are required.

NRDC is sponsoring further development at Sira Institute, Chislehurst.

GEOFFREY CHARLISH

The new system includes such elements as a closed television viewing system for safe, real-time monitoring of the trimming; a laser energy output monitor; a power box containing a power supply, a water-cooling system, a filtered air source, and control electronics.

In operation, the output energy from the laser head, a Model CYQ-3, vaporises a series of overlapping spots on the resistive material in the circuit, which is moving at a selected rate in its work handling fixture under the laser head. The fixture can be moved at four different speeds: 0.156, 0.313, 0.625, and 1.250 inches per second.

The numerical unit controls the path of the work fixture under the visually shielded laser head. The control system can be expanded to include computer or tape control if greater degrees of automation are required.

NRDC is sponsoring further development at Sira Institute, Chislehurst.

GEOFFREY CHARLISH

The new system includes such elements as a closed television viewing system for safe, real-time monitoring of the trimming; a laser energy output monitor; a power box containing a power supply, a water-cooling system, a filtered air source, and control electronics.

In operation, the output energy from the laser head, a Model CYQ-3, vaporises a series of overlapping spots on the resistive material in the circuit, which is moving at a selected rate in its work handling fixture under the laser head. The fixture can be moved at four different speeds: 0.156, 0.313, 0.625, and 1.250 inches per second.

The numerical unit controls the path of the work fixture under the visually shielded laser head. The control system can be expanded to include computer or tape control if greater degrees of automation are required.

NRDC is sponsoring further development at Sira Institute, Chislehurst.

GEOFFREY CHARLISH

The new system includes such elements as a closed television viewing system for safe, real-time monitoring of the trimming; a laser energy output monitor; a power box containing a power supply, a water-cooling system, a filtered air source, and control electronics.

In operation, the output energy from the laser head, a Model CYQ-3, vaporises a series of overlapping spots on the resistive material in the circuit, which is moving at a selected rate in its work handling fixture under the laser head. The fixture can be moved at four different speeds: 0.156, 0.313, 0.625, and 1.250 inches per second.

The

The Bank of California is proud to announce it has a branch at Number One Cornhill.



The Bank of California has a new office at Number One Cornhill, in the heart of London. Now, businessmen in London will be able to receive the same fast service as businessmen doing business with us in the States.

Let's take applying for a loan. Most banks approve loans by committee: a committee that may meet once or twice a week.

Our committee meets every day. So you won't have to wait for Tuesday or Friday, if you want a loan on Monday, Wednesday or Thursday.

Making you wait for information is another inconvenience we won't put you through. We know how waiting for an analysis of a market, or for corporate credit information can tie things up.

So we've devised a way to get you your information faster.

It's called Man-To-Man Service: not man-to-machine

service. Try it. We think you'll like our man more than their machine.

These are just a few of the ways The Bank of California can significantly reduce waiting in London. There are other ways, many other ways.

For instance, you'll find our wholly owned subsidiary, Bank of California International, New York, can provide fast, complete international commercial services for all domestic and overseas clients—including venture capital financing—both equity and medium terms loans.

Call us and see how we can save you time and money in your particular situation. In London or anywhere in the world.

The Bank of California Now in the heart of London.

Number One Cornhill, London
Other offices in California, Washington, Oregon, New York, Tokyo and Manila

INTERIM STATEMENT

R. H. Cole Limited

(Manufacturing and marketing of plastics, chemicals, electronics and equipment)

INTERIM REPORT

The unaudited results of the Group for the six months ended 30th June 1971 and comparative figures are:

	6 Months to 30th June 1971	6 Months to 30th June 1970	Year to 31st Dec 1970
TURNOVER	£3,109	£3,432	£7,057
GROUP TRADING PROFIT	183	211	404
Deduct finance charges payable less receivable	35	36	81
GROUP PROFIT BEFORE TAXATION	148	175	323
Deduct estimated taxation	59	79	132
GROUP PROFIT AFTER TAXATION	89	96	191

The directors wish to report that Group sales for the half year expanded by 9% compared to the same period in 1970 after adjusting for the business transferred to Siemens (United Kingdom) Limited, reported in the Chairman's review for 1970. The Group profit before taxation includes £36,000 being a proportion of the compensation received for advance termination of the "Siemens" agency. The Group profit reflects progressive growth in plastics compounding, although other activities have suffered the combined effects of low demand and increased operating costs. Current trends indicate an improvement in the second half of the year.

An interim dividend of 14p per share less income tax has been declared for the year 1971 payable on 20th November to members on the register at the close of business on the 9th November 1971. The final dividend 14p, Final 23p.

cole

Journalists' merger talks break down

MERGER TALKS between the 1,700-member Institute of Journalists and the 24,000-strong National Union of Journalists broke down over the weekend due to irreconcilable differences. A membership arrangement between the Institute and the Union will continue.

A joint statement by Mr. George Lenton and Mr. Douglas Rees, presidents of the Institute and the Journalists' Union respectively, said that:

"The two-day joint merger conference ended after its first day because of 'evident fundamental and irreconcilable differences between the NUJ and the IOJ on the basis of the draft rules

before it.' The two bodies' councils are to consider what moves can now be made towards a merger and in the meantime the five-year-old dual membership arrangement between the Institute and the Union will continue."

The three main points of difference concerned: failure to agree on the name of the new organisation, an NUJ rejection of a rule setting up a professional council

settling a conference and the question of registration under the 1971 Industrial Relations Act.

The union considered there should be no registration and the institute dissented.

Strike by 65 tugboatmen makes Tyne fleet idle

BY OUR OWN CORRESPONDENT SOUTH SHIELDS, Oct. 31

A STRIKE by 65 Tyne tugboatmen over a pay claim made the river's fleet of nine tugs idle over the weekend. It will cause severe trade disruption at the port if it goes on.

Already one dry-docking job has been lost, and unless there is a settlement in the next few days the new 253,000-ton giant, tanker Texaco Great Britain will be unable to leave the Wallsend yard on Swan Hunter on Friday to start sea trials.

The tugboatmen, whose current wage agreement expired this weekend, and on strike because who could get a basic £21.50, they consider their earnings are too low. For example, a Tyne tug skipper received £20.50 for a 40-hour week but there were men in labouring grades at the Tyne for 40-hour weeks but there were men in labouring grades at the Tyne

Secrets Act: TUC calls for changes

THE TUC believes that the Government should not have power to take criminal proceedings except where national security is threatened. It has urged the Franks Committee, which is considering the Official Secrets Act, that Section 2 should be repealed. It also criticises the misuse of the "Confidential marking on Government documents" and says departments should be more selective in their use.

Section 2, says the General Council, affects the interests of workpeople who handle confidential information in the course of their duties.

It made it illegal for people handling confidential information to pass it on to an unauthorised person or to retain it when they have no right to do so. This relates not only to information which might be a threat to national security, but to any information regarded as confidential by a Government department.

While this is of particular concern to civil servants and journalists, workers in other industries receive confidential information, and so do trade union representatives in the course of their work.

The General Council does not dispute that governments should have powers to prosecute those persons who act in a manner prejudicial to national security, but these powers were provided in Section 1 of the Act, and Section 2 should be repealed.

Solicitors defend fixed house fees

SOLICITORS yesterday hit back at the reported intention of the Lord Chancellor to end the system of scale fees chargeable in house sale transactions.

The British Legal Association, representing about one seventh of solicitors in England and Wales, in conference at York, passed a motion opposing "the unjust proposal attributed by

three national newspapers to the

Lord Chancellor to compel the

solicitors' profession to treat as

maxima only the conveyancing fees accepted years ago on

which individual firms of solicitors had been associated.

They provided an example of how a combination of "holding out" (holding out in willing to undertake conveyancing at less than the scale fee), and price cutting had affected the client.

In every case where there had been a loser it had been the client.

There was an overwhelming

vote in favour of British entry to the Common Market, when

delegates rejected a motion

which said entry would reduce

the living standards of provincial

solicitors and undermine the

principles of English Common

Law.

Only the proposer, Mr. John Briggs (Huddersfield), and his second, Mr. Vincent Collinson (Blackpool), voted in favour.

Mr. Edward Deal, Bristol, chairman of the Association

lapped what he called the

"monolithic structure" taken

towards it by the Law Society,

the controlling body of solicitors

in England and Wales.

He said that the Society's ques-

tioning of why there should be

another body seeking to carry

out certain of its functions pre-supposed this attitude.

He saw no reason for war between the two organisations and hoped that "there is room for both". The Association was provisionally registered as a trade union and its main aims were to improve pay and conditions and other facilities for advice.

BEA plans for 3.1m. winter passengers

BEA plans to carry 3.1m. passengers this winter, compared with 2.8m. last winter, an increase of 9 per cent.

This is largely due to the changing habits of the British holidaymaker. A spokesman said: "More people are taking winter and 'split' holidays, and this means a big expansion in business."

To meet the demand BEA is offering more jet capacity and 85 per cent. of flights will be by Trident and Super One-Eleven jets. The winter schedules begin to-day.

£150,000 FOR A CITY'S FACELIFT

"Operation clean-up" to make Nottingham more attractive is planned by the city's public works committee at a cost of £150,000. About £100,000 of this will be spent on an anti-litter campaign.

FT Monthly Survey of Business Opinion

GENERAL OUTLOOK

Cost trends ease but no recovery yet

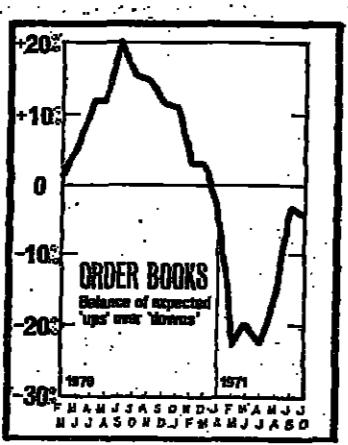
INDUSTRY is now expecting the rate of inflation to slacken appreciably. The expected rise in costs has now fallen to less than 6 per cent. This time last year the median forecast was more for optimism. The recovery than 10 per cent. Predictions which has set in one or two about future price increases have sectors—car sales and private likewise declined. The median forecast for price increases over the next 12 months is now just more generally over 6 per cent.

In the case of mechanical engineering—one of the three sectors surveyed this time—this is not particularly surprising. A future trend of wage costs. Over three-fifths of our all-industry sample are now predicting increases of 5-6 per cent, whereas only a few months ago the same widespread view in the especially hopeful on this score, proportion was forecasting in industry, and even that is some despite recent cost trends.

ORDERS AND OUTPUT

No general improvement

THIS MONTH'S interviews revealed few indications of the recovery in some—mostly consumer—trades yet becoming more widespread. In the case of mechanical engineering, this was to be expected. It could be some time yet before orders for investment goods revive. But chemicals/oils and shipping are both sectors which in their respective ways are fairly sensitive to the trend of conditions generally. On balance the trend of new orders is upward (in terms of current prices), but the balance of "ups" over "downs" is still somewhat small. And, to judge from order book trends, the flow of orders is still on the whole



barely sufficient to match the present rate of deliveries. Improved order trends were noted mainly by engineering and chemical companies producing specialised products.

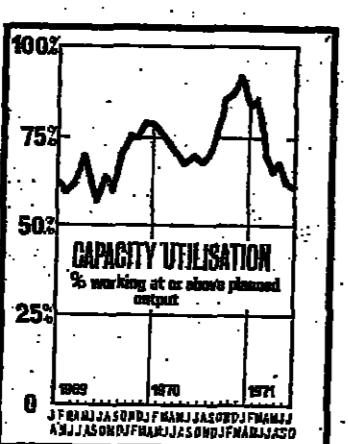
A similar picture is offered by industry's production forecasts. The balance of "ups" over "downs" has not significantly changed for some months. If one makes some allowance for price increases (which are not always excluded from industry's replies to questions about future turnover), then clearly industry cannot yet be said to be as confident as the Chancellor is about the economy picking up a fair head of steam in the coming year.

CAPACITY AND STOCKS

Widespread slack still

FURTHER eloquent indications of the present degree of slack in industry are afforded by the latest picture of capacity utilisation and by the ratings given to the factors that are currently affecting production. A good third of our all-industry sample are still operating at below target capacity. In engineering and shipping, the proportion is twice as high. In both sectors, and in chemicals/oils, order flows are universally cited as pretty well the only factor determining the current pace of output.

The same is broadly true for



industry as a whole. Shortage of plant capacity can still be a bottleneck here and there. So, surprisingly, can the availability of skilled factory staff. But in the main it is orders, especially home orders, that is determining the present pace of output throughout industry.

However, somewhat more com-

panies are now predicting some increases in stocks and work in progress over the coming 12 months, which suggests some degree of optimism about future trends. But this trend is neither very marked nor very general.

Nearly half the total example of companies are forecasting no change in the level of the stocks.

CAPACITY WORKING

4 Monthly moving total October 1971					
July-Oct.	June-Sept.	May-Aug.	Apr.-July	Engg. (non-Chemicals elect.)	Chemicals and Oils Shipping
Those working at:					
Above capacity	12	11	5	3	2
Planned output	49	52	63	64	33
Below	35	35	31	33	60
No answer	4	2	—	5	25

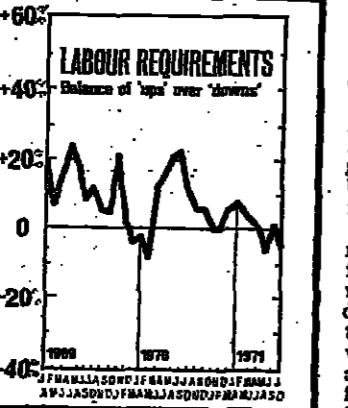
INVESTMENT AND LABOUR

Caution in forecasting

FORECASTS of labour requirements and capital investment show little sign of a change in industry's expectations—another indication that industry generally has yet to acquire any confidence in the prospect of a general business recovery.

Half of our all-industry sample foresee no significant change in their manpower needs. Of the rest, the "downs" still slightly outnumber the "ups"—hardly a happy augury for unemployment levels this winter and there after.

On capital investment, the balance of replies is slightly upward. But with inflation at current rates a modest increase in capital programmes can easily



represent a decline in real terms. Among the three industry groups surveyed this time, shipping affords the least promising outlook on both capital spending intentions and labour requirements. Mechanical engineering, not surprisingly, is relatively gloomy about manpower needs but bullish on investment spending.

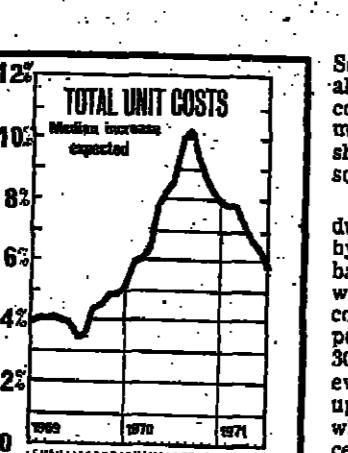
With credit restrictions easing, more companies are planning to finance increased capital requirements with the help of bank overdrafts. This is particularly true of the three industry sectors surveyed this time. Assets sales are also being cited a little more frequently as a source of capital funds.

COSTS AND PROFIT MARGINS

Profitability should improve

THE further decline in expected cost rates—the twelfth in successive months—is the most encouraging feature of the latest survey. The median forecast is now less than 6 per cent, as against over 10 per cent a year ago. Predictions of future price changes have also fallen. Here the median forecast is now just over 6 per cent.

Both improvements reflect the more sanguine view industry is taking of wage trends over the next year. Three-fifths of our all-industry sample now expect wage costs to increase by 5-8 per cent, a year, whereas, three months ago three-fifths of the total sample were forecasting increases of 10-14 per cent.



So is the chemicals/oils group, although not every interviewed company is confident of profit margins improving. Only in shipping was a note of caution sounded.

These surveys, which are conducted for the Financial Times by the Taylor Nelson Group, are based upon detailed interviews with top executives about their company's situation and prospects. Three industries and some 30 companies are covered in turn every month from a sample based upon the FT-Aucturites' Index, which accounts for about 60 per cent of the total turnover of all public industrial companies. The weighting is by market capitalisation.

The all-industry figures are four-monthly moving totals, covering some 120 companies in 11 industry groups (mechanical engineering is surveyed every second month). Foreign-owned companies operating in Britain have been included in the sample since November, 1968.

predictions about future profitability. Over half our total sample expect profit margins to improve and total profitability, in terms of return on capital employed, to increase. Barely a quarter of the sample foresees little change.

Engineering is especially bullish on the score of profitability.

© Statistical Material Copyright Taylor Nelson Group Ltd.

GENERAL BUSINESS SITUATION

4 Monthly moving total October 1971					
July-Oct.	June-Sept.	May-Aug.	Apr.-July	Engg. (non-Chemicals elect.)	Chemicals and Oils Shipping
Are you more or less optimistic about your company's prospects than you were four months ago?					
More optimistic	41	50	60	60	35 52 52
Neutral	51	41	30	37	57 47 48
Less optimistic	8	9	9	3	8 1
No answer	—	12	—	—	—

EXPORT PROSPECTS

4 Monthly moving total October 1971					
July-Oct.	June-Sept.	May-Aug.	Apr.-July	Engg. (non-Chemicals elect.)	Chemicals and Oils Shipping
Those expecting direct export sales during the next twelve months to:					
Rise	57	65	63	60	84 54
Stay about the same	19	17	17	21	5 44
Fall	6	5	5	1	9
Not applicable	18	23	15	18	2 100

NEW ORDERS

4 Monthly moving total October 1971					
July-Oct.	June-Sept.	May-Aug.	Apr.-July	Engg. (non-Chemicals elect.)	Chemicals and Oils Shipping
The trend for new orders in the last four months is:					
Up	33	32	34	31	8 7
Same	11	8	7	10	36
Down	19	13	15	17	54 12 48
Not available	38	47	44	42	2 81 52

PRODUCTION/TURNOVER

4 Monthly moving total October 1971					
July-Oct.	June-Sept.	May-Aug.	Apr.-July	Engg. (non-Chemicals elect.)	Chemicals and Oils Shipping
Those expecting production/turndown in the next year to:					
Rise over 20%	2	3	3	1	—
Rise 15-19%	4	4	1	1	—
Rise 10-14%	4	5	6	18	2
Rise 5-9%	53	47	52	40	58 84 75
About the same	19	28	32	33	4 2
Fall 5-9%	3	4	3	5	2
Fall over 10%	3	2	2	—	8 9
No comment	12	7	2	2	26 5 100

STOCKS

4 Monthly moving total October 1971					
July-Oct.	June-Sept.	May-Aug.	Apr.-July	Engg. (non-Chemicals elect.)	Chemicals and Oils Shipping
Volume of material stocks or bought-in supplies during the next year expected:					
Increase	31	20	12	7	30 84
Stay about the same	41	40	62	53	13 2
Decrease	14	10	17	29	55 10
No comment	14	10	9	11	2 4 100
Volume of goods on hand for sale:					
Increase	22	27	21	19	1 41
Stay about the same	48	51	51	43	43 45
Decrease	11	7	18	20	46 9
No comment	19	15	10	18	10 5 100

FACTORS CURRENTLY AFFECTING PRODUCTION

<tr

Build and Civil Engineering

£14m. Hong Kong project for fresh water from the sea

THE largest sea-water desalting plant in the world is planned for Hong Kong and tenders for the first 20m. gallons-a-day plant are now being sought. It addresses the British consulting engineers, who have designed the scheme—likely to cost another £1m.—and are preparing contracts for this single-purpose multi-stage flash evaporation system.

Manufacturers of multi-stage evaporation units are seen to be supplying units of at least 50 mgd as well as the joint economic and design study into the possibility of producing a further 120mgd of desalinated water and 1,800 MW of electricity between March 1978 and 1983, certainly puts Hong Kong into the lead in this technology.

The unit production cost of the 20mgd plant is expected to be in the region of 40p per 1,000 gallons—which is about double that of natural reservoir water in that region.

This desalting project became necessary when it was realised that the £70m. High Island

horizontal pass-out turbines

generating set was not recoverable.

Each of the two units have been developed by Berger Graphic Markings, of Berkeley Square, London, W1.

Known as Catastuds, they retain good standards of reflectivity even after extensive use. Made of Cycloc ABS, the studs have withstood test pressures of 3,000 psi, and an independent investigation of their long-term reflectivity by the Mathematics Institute of Innsbruck University has shown their efficiency to be superior to other products in current use.

Catastuds are available in white or yellow with reflective lenses in white, amber, red or green, and measure 100 mm by 7 mm by 16 mm thick.

Compared to conventional two-lens types of "cat's eyes," the lenses of which have to be inset into the road surface, Catastuds can be inset more quickly to apply. Using

WHEELER Crisal has been the road surface. Catastuds have been used over 500,000 times.

Tailor-made ventilation systems

be bungalows and 2-storey houses for families of up to seven people. The homes were designed by Wimpey in collaboration with the city architect.

The contract includes 42 garages, an invalid car park and spaces for parking. Work begins this month and is due for completion in the summer of 1973.

Services on brewery site

COMMON user site services are being provided at the £15m. Northampton Carlsberg brewery by George Wimpey and Company—the main contractor—to minimise duplication by contractors on site of such services as labour recruitment, security and canteen facilities.

A joint committee of employers is being set up to run these services for all members on similar lines to those tried successfully at a couple of refinery projects.

The 185-metre long and 70-metre wide building was designed by Knud Munk, the Copenhagen architect, with Ove Arup and Partners acting as consulting engineers. Piling is currently being carried out by Dowsal Piling and Foundations and the sub-structure and foundations will be undertaken by Kier.

The heat input from steam would be about 53kW (100,000 B.t.u./hr.).

Leicester road scheme

LARGER of the two contracts totalling £690,000 awarded to Rush and Tompkins (Civil Engineering) recently, concerns a road and sewer scheme for the Corporation of Leicester worth £337,000.

Representing part of the redevelopment of the Morton Road area, the job involves the construction of 657 metres of precast concrete box culvert. The scheme is scheduled to be finished within two years.

The second job calls for the erection of a freight shed and associated work at Middle Yard, Newhaven, Sussex, for the British Railways Board. Valued at £150,000, the work is designed by the chief architects to the British Railways Board.

In brief

MATTHEW HALL has received several engineering contracts totalling £400,000 for work in nine department stores for Marks and Spencer. Largest of these is for an extension to a Dudley store where air-conditioning, electrical plumbing and fire protection services are to be installed.

THE HOME OFFICE has placed a £150,000 order with G. E. Wallis and Sons for work to be carried out at Sandown Court Secondary School, in Tunbridge Wells. Alterations and extensions to Weald Kent, is to be undertaken by House will provide additional Hoist and Co. (Southern). The cells and ancillary accommoda-

Hot ceilings in northern houses

BIGGEST single contract for Flexel, the ICI electrical ceiling radiant heating device, has been placed with Laurence James Electrical (an ICI associate) for supply and installation in all the new housing units built by the North British Housing Group, Preston, over the next three years, a total of some 3,000 houses.

The houses will be built mainly in the north of England, in the first instance at Stone Street, Newcastle upon Tyne, where some 350 houses are planned. The average cost for a house installation is £100, and the contract is worth £1m. spread over three years.

The Flexel system is based on a carbon filled silicone conducting rubber which produces radiant heat when a current is passed through it. Any area with ceilings using this system is claimed to reach an ambient temperature of 65 degrees F 40 minutes after being switched on.

The system was adopted by the London Borough of Harrow for the Grange Farm Estate, where 72 two-bedroom flats and 36 one-bedroom flats were built in 1969-70. The authority introduced budget billing for the heating cost. For the two-bed

spine block together provide 61,000 square feet of usable office space. A number of local offices of the Department of Health and Social Security, Department of

unit at 4.2 kW the budget was £1.40. These figures were based on experience in other housing units and the tenant charged the calculated budget rate included with the rent. If the actual cost is less the tenant gets a rebate.

Among advantages claimed for the system is the obvious fact that no visible space is taken, and no maintenance is required.

Cubitts to extend hospital

FURTHER work for the recently finished psychiatric block at New Cross Hospital, Wolverhampton, is to be undertaken by Holland, Hannen and Cubitts (Midlands). Awarded by the Regional Hospital Board, the £467,000 contract brings the total value of its work for the hospital to £1.4m.

The new unit comprises a 2-storey administration building, a single-storey recreation building, a 2-storey kitchen and dining room and external link corridor, and a 3-storey services tower.

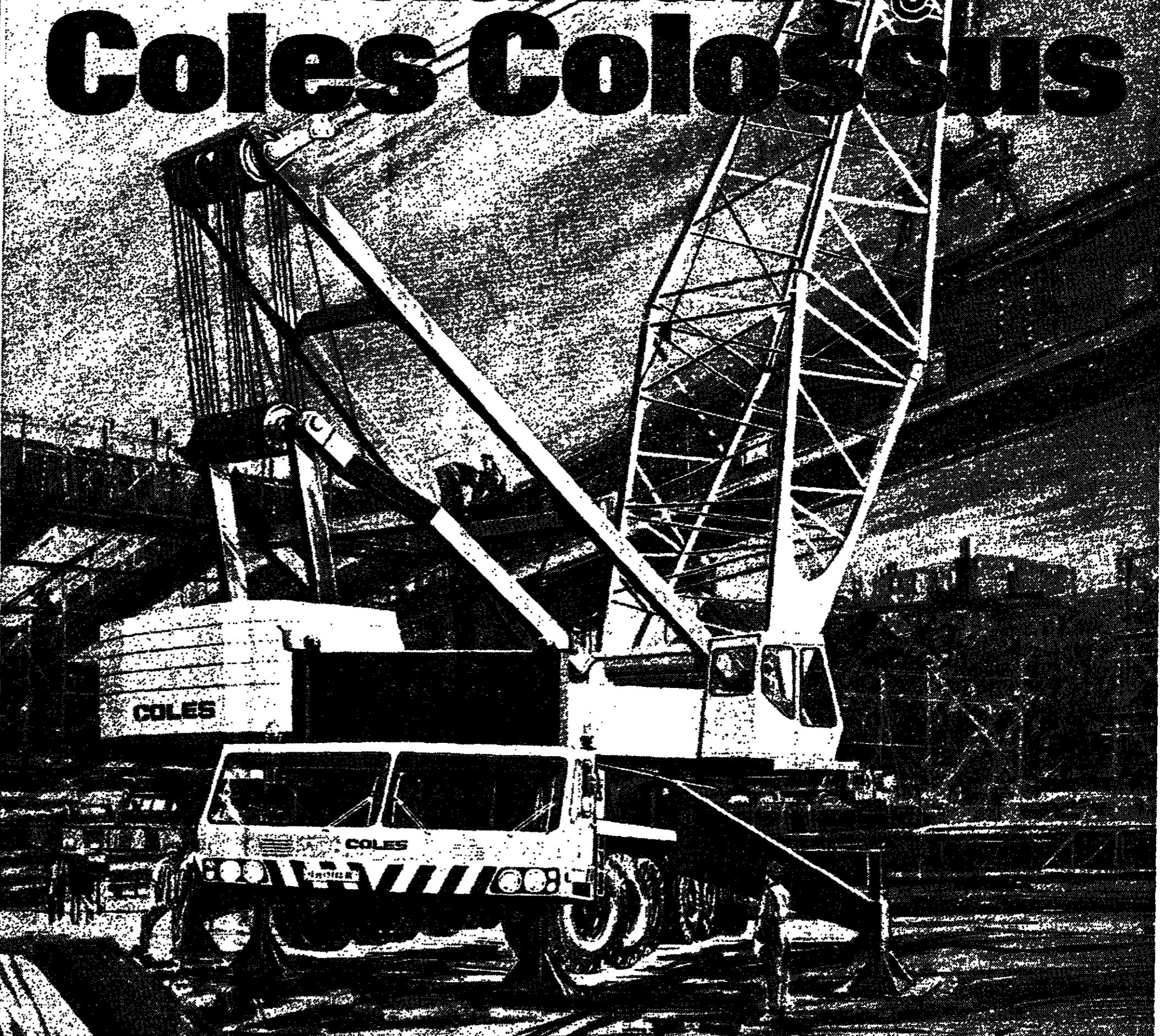
These buildings will be of reinforced concrete frame construction with load-bearing brick external walls, in situ reinforced concrete floors, and block internal partitions. The 2-storey podium, occupying the entire area of the island site, and the 6-storey spine block together provide 61,000 square feet of usable office space. A number of local offices of the Department of Health and Social Security, Department of



Employment, Inland Revenue, Customs and Excise, the regional office of Ordnance Survey and a Post Office, are housed. The river originally cut the site in half, but a bridge constitutes part of the foundations which otherwise are piled supports on either side. Architects were the DoE in association with Harry H. Weedon and Partners.

A new power in the construction world

Coles Colossus



□ Increased capacity gives greater freedom in structural design □ Easier handling of larger unit loads □ Reduced construction costs

Here is Britain's largest and most advanced concept in heavy mobile lifting equipment. The Colossus... a 170 ton diesel-electric truck crane that offers new impetus, greater design freedom and increased lifting power to the field of construction and civil engineering.

Conceived and built as a high capacity machine of outstanding mobility and versatility, the Colossus packs a wealth of exclusive design features including hydro-pneumatic chassis suspension, twin-line derrick, six-point jacking, hydraulic creep speed system for on site travel, full width jib/tower, retractable

wheels, fold-away superstructure cab. To the operator these mean strut jib and tower duties with the same machine... interchangeable strut jib and tower main sections... simplicity of control... self-erection of jib and tower... fast road travel... and true full circle slewing with all loads.

Far from cumbersome, the Colossus is mounted on a crane carrier with 8 driven and 10 steered wheels—in travel order has higher road speed, less overall height and greater manoeuvrability than many truck cranes of lower capacity. Colossus cuts the cost of lifting.

COLES

THE NAME THAT CARRIES WEIGHT

COLES CRANES LIMITED

Steel House, Eastcote, Pinner, Middlesex HA5 1RU

Telephone: 01-866 5881 Telex: 21619

Sales & Service Offices: London, Bristol, Birmingham, Manchester, Leeds and Glasgow.

A MEMBER COMPANY OF THE STEEL GROUP LIMITED



Head Office Editorial & Advertisement Offices:
BRACKEN HOUSE, CANNON STREET, LONDON, EC4P 4BY.
Telephone Day & Night: 01-248 8000. Telegrams: Finantime, London
Telex: 886341/2, 883897

FOR SHARE INDEX AND BUSINESS NEWS SUMMARY KING: 01-248 8016
Birmingham: George House, George Street, B1 4LA
London: 01-248 8012, 8013, 8014, 8015
Leeds: 01-248 8016, 8017, 8018, 8019
Manchester: Queen's House, Queen Street, M1 2LA
Portsmouth: 01-248 8020, 8021, 8022, 8023, 8024, 8025
Bristol: 01-248 8026, 8027, 8028, 8029
Birmingham: 01-248 8030, 8031, 8032, 8033, 8034, 8035
Birmingham: 01-248 8036, 8037, 8038, 8039, 8040, 8041, 8042, 8043, 8044, 8045, 8046, 8047, 8048, 8049, 8050, 8051, 8052, 8053, 8054, 8055, 8056, 8057, 8058, 8059, 8060, 8061, 8062, 8063, 8064, 8065, 8066, 8067, 8068, 8069, 8070, 8071, 8072, 8073, 8074, 8075, 8076, 8077, 8078, 8079, 8080, 8081, 8082, 8083, 8084, 8085, 8086, 8087, 8088, 8089, 8090, 8091, 8092, 8093, 8094, 8095, 8096, 8097, 8098, 8099, 8100, 8101, 8102, 8103, 8104, 8105, 8106, 8107, 8108, 8109, 8110, 8111, 8112, 8113, 8114, 8115, 8116, 8117, 8118, 8119, 8120, 8121, 8122, 8123, 8124, 8125, 8126, 8127, 8128, 8129, 8130, 8131, 8132, 8133, 8134, 8135, 8136, 8137, 8138, 8139, 8140, 8141, 8142, 8143, 8144, 8145, 8146, 8147, 8148, 8149, 8150, 8151, 8152, 8153, 8154, 8155, 8156, 8157, 8158, 8159, 8160, 8161, 8162, 8163, 8164, 8165, 8166, 8167, 8168, 8169, 8170, 8171, 8172, 8173, 8174, 8175, 8176, 8177, 8178, 8179, 8180, 8181, 8182, 8183, 8184, 8185, 8186, 8187, 8188, 8189, 8190, 8191, 8192, 8193, 8194, 8195, 8196, 8197, 8198, 8199, 8200, 8201, 8202, 8203, 8204, 8205, 8206, 8207, 8208, 8209, 8210, 8211, 8212, 8213, 8214, 8215, 8216, 8217, 8218, 8219, 8220, 8221, 8222, 8223, 8224, 8225, 8226, 8227, 8228, 8229, 8230, 8231, 8232, 8233, 8234, 8235, 8236, 8237, 8238, 8239, 8240, 8241, 8242, 8243, 8244, 8245, 8246, 8247, 8248, 8249, 8250, 8251, 8252, 8253, 8254, 8255, 8256, 8257, 8258, 8259, 8260, 8261, 8262, 8263, 8264, 8265, 8266, 8267, 8268, 8269, 8270, 8271, 8272, 8273, 8274, 8275, 8276, 8277, 8278, 8279, 8280, 8281, 8282, 8283, 8284, 8285, 8286, 8287, 8288, 8289, 8290, 8291, 8292, 8293, 8294, 8295, 8296, 8297, 8298, 8299, 8300, 8301, 8302, 8303, 8304, 8305, 8306, 8307, 8308, 8309, 8310, 8311, 8312, 8313, 8314, 8315, 8316, 8317, 8318, 8319, 8320, 8321, 8322, 8323, 8324, 8325, 8326, 8327, 8328, 8329, 8330, 8331, 8332, 8333, 8334, 8335, 8336, 8337, 8338, 8339, 8340, 8341, 8342, 8343, 8344, 8345, 8346, 8347, 8348, 8349, 8350, 8351, 8352, 8353, 8354, 8355, 8356, 8357, 8358, 8359, 8360, 8361, 8362, 8363, 8364, 8365, 8366, 8367, 8368, 8369, 8370, 8371, 8372, 8373, 8374, 8375, 8376, 8377, 8378, 8379, 8380, 8381, 8382, 8383, 8384, 8385, 8386, 8387, 8388, 8389, 8390, 8391, 8392, 8393, 8394, 8395, 8396, 8397, 8398, 8399, 8400, 8401, 8402, 8403, 8404, 8405, 8406, 8407, 8408, 8409, 8410, 8411, 8412, 8413, 8414, 8415, 8416, 8417, 8418, 8419, 8420, 8421, 8422, 8423, 8424, 8425, 8426, 8427, 8428, 8429, 8430, 8431, 8432, 8433, 8434, 8435, 8436, 8437, 8438, 8439, 8440, 8441, 8442, 8443, 8444, 8445, 8446, 8447, 8448, 8449, 8450, 8451, 8452, 8453, 8454, 8455, 8456, 8457, 8458, 8459, 8460, 8461, 8462, 8463, 8464, 8465, 8466, 8467, 8468, 8469, 8470, 8471, 8472, 8473, 8474, 8475, 8476, 8477, 8478, 8479, 8480, 8481, 8482, 8483, 8484, 8485, 8486, 8487, 8488, 8489, 8490, 8491, 8492, 8493, 8494, 8495, 8496, 8497, 8498, 8499, 8500, 8501, 8502, 8503, 8504, 8505, 8506, 8507, 8508, 8509, 8510, 8511, 8512, 8513, 8514, 8515, 8516, 8517, 8518, 8519, 8520, 8521, 8522, 8523, 8524, 8525, 8526, 8527, 8528, 8529, 8530, 8531, 8532, 8533, 8534, 8535, 8536, 8537, 8538, 8539, 8540, 8541, 8542, 8543, 8544, 8545, 8546, 8547, 8548, 8549, 8550, 8551, 8552, 8553, 8554, 8555, 8556, 8557, 8558, 8559, 8560, 8561, 8562, 8563, 8564, 8565, 8566, 8567, 8568, 8569, 8570, 8571, 8572, 8573, 8574, 8575, 8576, 8577, 8578, 8579, 8580, 8581, 8582, 8583, 8584, 8585, 8586, 8587, 8588, 8589, 8590, 8591, 8592, 8593, 8594, 8595, 8596, 8597, 8598, 8599, 8600, 8601, 8602, 8603, 8604, 8605, 8606, 8607, 8608, 8609, 8610, 8611, 8612, 8613, 8614, 8615, 8616, 8617, 8618, 8619, 8620, 8621, 8622, 8623, 8624, 8625, 8626, 8627, 8628, 8629, 8630, 8631, 8632, 8633, 8634, 8635, 8636, 8637, 8638, 8639, 8640, 8641, 8642, 8643, 8644, 8645, 8646, 8647, 8648, 8649, 8650, 8651, 8652, 8653, 8654, 8655, 8656, 8657, 8658, 8659, 8660, 8661, 8662, 8663, 8664, 8665, 8666, 8667, 8668, 8669, 8670, 8671, 8672, 8673, 8674, 8675, 8676, 8677, 8678, 8679, 8680, 8681, 8682, 8683, 8684, 8685, 8686, 8687, 8688, 8689, 8690, 8691, 8692, 8693, 8694, 8695, 8696, 8697, 8698, 8699, 8700, 8701, 8702, 8703, 8704, 8705, 8706, 8707, 8708, 8709, 8710, 8711, 8712, 8713, 8714, 8715, 8716, 8717, 8718, 8719, 8720, 8721, 8722, 8723, 8724, 8725, 8726, 8727, 8728, 8729, 8730, 8731, 8732, 8733, 8734, 8735, 8736, 8737, 8738, 8739, 8740, 8741, 8742, 8743, 8744, 8745, 8746, 8747, 8748, 8749, 8750, 8751, 8752, 8753, 8754, 8755, 8756, 8757, 8758, 8759, 8760, 8761, 8762, 8763, 8764, 8765, 8766, 8767, 8768, 8769, 8770, 8771, 8772, 8773, 8774, 8775, 8776, 8777, 8778, 8779, 8780, 8781, 8782, 8783, 8784, 8785, 8786, 8787, 8788, 8789, 8790, 8791, 8792, 8793, 8794, 8795, 8796, 8797, 8798, 8799, 8800, 8801, 8802, 8803, 8804, 8805, 8806, 8807, 8808, 8809, 8810, 8811, 8812, 8813, 8814, 8815, 8816, 8817, 8818, 8819, 8820, 8821, 8822, 8823, 8824, 8825, 8826, 8827, 8828, 8829, 8830, 8831, 8832, 8833, 8834, 8835, 8836, 8837, 8838, 8839, 8840, 8841, 8842, 8843, 8844, 8845, 8846, 8847, 8848, 8849, 8850, 8851, 8852, 8853, 8854, 8855, 8856, 8857, 8858, 8859, 8860, 8861, 8862, 8863, 8864, 8865, 8866, 8867, 8868, 8869, 8870, 8871, 8872, 8873, 8874, 8875, 8876, 8877, 8878, 8879, 8880, 8881, 8882, 8883, 8884, 8885, 8886, 8887, 8888, 8889, 8890, 8891, 8892, 8893, 8894, 8895, 8896, 8897, 8898, 8899, 8900, 8901, 8902, 8903, 8904, 8905, 8906, 8907, 8908, 8909, 8910, 8911, 8912, 8913, 8914, 8915, 8916, 8917, 8918, 8919, 8920, 8921, 8922, 8923, 8924, 8925, 8926, 8927, 8928, 8929, 8930, 8931, 8932, 8933, 8934, 8935, 8936, 8937, 8938, 8939, 8940, 8941, 8942, 8943, 8944, 8945, 8946, 8947, 8948, 8949, 8950, 8951, 8952, 8953, 8954, 8955, 8956, 8957, 8958, 8959, 8960, 8961, 8962, 8963, 8964, 8965, 8966, 8967, 8968, 8969, 8970, 8971, 8972, 8973, 8974, 8975, 8976, 8977, 8978, 8979, 8980, 8981, 8982, 8983, 8984, 8985, 8986, 8987, 8988, 8989, 8990, 8991, 8992, 8993, 8994, 8995, 8996, 8997, 8998, 8999, 9000, 9001, 9002, 9003, 9004, 9005, 9006, 9007, 9008, 9009, 9010, 9011, 9012, 9013, 9014, 9015, 9016, 9017, 9018, 9019, 9020, 9021, 9022, 9023, 9024, 9025, 9026, 9027, 9028, 9029, 9030, 9031, 9032, 9033, 9034, 9035, 9036, 9037, 9038, 9039, 9040, 9041, 9042, 9043, 9044, 9045, 9046, 9047, 9048, 9049, 9050, 9051, 9052, 9053, 9054, 9055, 9056, 9057, 9058, 9059, 9060, 9061, 9062, 9063, 9064, 9065, 9066, 9067, 9068, 9069, 9070, 9071, 9072, 9073, 9074, 9075, 9076, 9077, 9078, 9079, 9080, 9081, 9082, 9083, 9084, 9085, 9086, 9087, 9088, 9089, 9090, 9091, 9092, 9093, 9094, 9095, 9096, 9097, 9098, 9099, 9100, 9101, 9102, 9103, 9104, 9105, 9106, 9107, 9108, 9109, 9110, 9111, 9112, 9113, 9114, 9115, 9116, 9117, 9118, 9119, 9120, 9121, 9122, 9123, 9124, 9125, 9126, 9127, 9128, 9129, 9130, 9131, 9132, 9133, 9134, 9135, 9136, 9137, 9138, 9139, 9140, 9141, 9142, 9143, 9144, 9145, 9146, 9147, 9148, 9149, 9150, 9151, 9152, 9153, 9154, 9155, 9156, 9157, 9158, 9159, 9160, 9161, 9162, 9163, 9164, 9165, 9166, 9167, 9168, 9169, 9170, 9171, 9172, 9173, 9174, 9175, 9176, 9177, 9178, 9179, 9180, 9181, 9182, 9183, 9184, 9185, 9186, 9187, 9188, 9189, 9190, 9191, 9192, 9193, 9194, 9195, 9196, 9197, 9198, 9199, 9200, 9201, 9202, 9203, 9204, 9205, 9206, 9207, 9208, 9209, 9210, 9211, 9212, 9213, 9214, 9215, 9216, 9217, 9218, 9219, 9220, 9221, 9222, 9223, 9224, 9225, 9226, 9227, 9228, 9229, 9230, 9231, 9232, 9233, 9234, 9235, 9236, 9237, 9238, 9239, 9240, 9241, 9242, 9243, 9244, 9245, 9246, 9247, 9248, 9249, 9250, 9251,

Unit trusts

FINANCIAL TIMES SURVEY

A unique range of Unit Trusts Plans and Services

Save and Prosper Group are Britain's largest unit trust group, currently managing funds of more than £550 million on behalf of 700,000 people. The Group also offer Britain's most complete range of associated financial plans and services.

Income Trusts

HIGH-YIELD UNITS:

This trust aims for the highest return consistent with reasonable security of capital, and sufficient growth in the long-term to protect the real value of an investment against inflation. It invests mainly in comparatively large U.K. industrial companies, with the balance in commodities, finance and services.

INCOME UNITS:

This trust aims for a good, secure income now, with moderate capital growth in the longer term. It is a balanced fund, with investments divided between ordinary and fixed interest shares.

Capital Growth Trusts

ATLANTIC UNITS:

The aim is long-term growth of capital through direct investment in the ordinary shares of North American companies.

FINANCIAL SECURITIES FUND:

The aim is long-term growth of capital through investment in the financial services industry throughout the world.

JAPAN GROWTH FUND:

The aim is long-term growth of capital through investment in the Japanese market.

CAPITAL UNITS:

The aim is long-term capital growth. The trust invests in an international spread of ordinary shares in commercial and industrial companies wherever growth prospects seem brightest.

EUROPEAN GROWTH FUND:

The aim is long-term growth through investment in European markets. The trust invests in the ordinary shares of companies principally in the Netherlands, Germany, France, Sweden, Italy, Switzerland and Belgium.

Trusts for Capital Growth and Income

INVESTMENT-TRUST UNITS:

Britain's largest unit trust by far. Its aim is long-term growth of capital and income. It invests exclusively in the shares of investment companies.

GENERAL UNITS:

The aim is to achieve a balance between immediate income and long-term growth of capital and income. It invests in the ordinary shares of British companies trading in the U.K. and overseas.

Property Fund

PROPERTY FUND:

The Save and Prosper Property Fund offers a stake in first class properties of all kinds through either a single payment policy or through a Save-Insure-and-Prosper Plan. A single payment policy

offers a unique 100% growth guarantee, life-insurance cover which normally increases each year, and an Income Facility at either 4%, 6% or 8% net per annum.

The performance of the average of all Save and Prosper trusts over the past 10 years since October 1961 has been decisively better than that of fixed interest investments and has comfortably beaten the cost of living and the F.T. index.

To: Customer Services Department, Save and Prosper Group Limited, 4 Great St. Helens, London EC3P 3EP. Telephone: 01-554 8899 or (for professional advisers) S & P Services Limited, 31 King St, London EC2P 2LA. Telephone: 01-638 8922

I am interested in receiving further details on the following trust(s): Please tick appropriate box(es)

Atlantic Units High-Yield Units
 Capital Units Income Units
 European Growth Fund Investment-Trust Units
 Financial Securities Fund Japan Growth Fund
 General Units Property Fund

To: Customer Services Department, Save and Prosper Group Limited, 4 Great St. Helens, London EC3P 3EP. Telephone: 01-554 8899 or (for professional advisers) S & P Services Limited, 31 King St, London EC2P 2LA. Telephone: 01-638 8922

I am interested in receiving details of the following Plan(s) and/or Service(s): Please tick appropriate box(es)

Save-Insure-and-Prosper Plan Investment for Children
 Monthly Investment Plan Share Exchange Service
 Single Premium Policy Mini Bonds
 Personal Pension Plan Private Investment Companies Scheme
 Personal Loan Plan

SAVE AND PROSPER GROUP

UNIT TRUSTS II

The unit trust industry is 40 years old this year. Total funds are valued at over £1,800m., making it one of the major investment channels, particularly for the small man. This survey reviews current developments and prospects for the Seventies.

The industry adjusts to lower level of intake

By KEITH LEWIS

It is a sad fact that the unit trust industry has still not managed to get the correct message across to the investing public. The movement has, of course, continued to grow, although 1970 and 1971 have seen the inflow of money reduced to a trickle in contrast to the two previous boom years. The figure returned in August this year of under £1m. is the lowest net monthly intake for ten years.

While the slowdown was perhaps understandable in 1970 in view of the poor stock market conditions (not just in London, but internationally), this year has seen most principal markets register something of a recovery. The FT Actuaries All-Share index is higher by around 30 per cent. so far in 1971, and has recently been breaking into new all-time high ground.

The pattern has not been so much for unitholders to stay away altogether, but rather to withdraw cash steadily on the rising market. Presumably this reflects the weight of unitholders who are seeing their original outlay restored, having been lured in at around the top of the market in 1969. In fact, the actual number of unitholder accounts has been diminishing for some months now, and the increase in total funds under management (now over £1,800m.) is explained more by capital appreciation than by any great public support.

The money that should have been going into the movement when the market was at a suitably low level has been finding new homes—notably property bonds, building societies and national savings. In fact, there are plenty of indicators to suggest that the public is generally disenchanted with equities—not necessarily just unit trusts—and virtually any savings medium that has been able to offer more stability has been on a winning run.

The outstanding success of the groups has put the industry vesting solely in unit trusts, collectively pulling in between £7-8m. per month—has undoubtedly been due to the relatively sedate investment characteristics, and the operators have not been slow in pointing this out in promotional material. This is fair game in marketing terms, of course, though it is fair to say that anyone who can get the timing anywhere near right with a unit trust probably stands to see benefits far more rapidly—at least if history is any guide.

The problem is that the vast majority of unitholders persist in not timing the investment carefully with the result that they tend to come in at the top and go out at the bottom. This shows the lack of education on the public's part, which is possibly the fault of the disproportionate volume of unit trust advertising in rising markets stressing short-term performance. However, it is reassuring to see a few groups departing from the traditional approach and grasping the nettle—Save and Prosper in particular stands out in this respect.

Steady withdrawal

The present situation, therefore, is not a particularly happy one—though, for all that, hardly as disastrous as is being made out. But anyway this experience in group share investment is hardly confined to the U.K. Mutual fund sales in North America have slumped alarmingly and there have been negative cash flows in number of months. Offshore fund sales are also in the doldrums, it seems with little immediate prospect of picking up.

The strange thing—at least as far as the U.K. unit trust movement is concerned—is that the service provided is probably better than it has ever been, and the continuing move towards the rationalisation of split level investment trusts in

coverage and it is fair to say that the more established groups have been calling for self-regulation, as in the past, with the DTI on hand to apply the teeth in the event of anyone stepping out of line. Naturally the other factor—that is those newer companies specialising in unit-linked life assurance in general has continued to grow in importance for the majority of groups, since such savings plans represent a regular source of income even when direct sales are on the wane. The whole question of unit-linked life assurance, however, is something of a hot issue at the moment, since everyone involved in this industry is waiting on the deliberations of the Scott Committee on unit-linked life assurance. The Property Bond operators in particular are believed to be coming under close scrutiny.

The

actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It

is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has tended to advocate a widening of the brief to embrace all forms of life assurance.

The actual brief for the committee is to see where existing legislation should be tightened up to protect policyholders.

It is surely inevitable that some restrictive measures will result from this inquiry, but just how wide-ranging the examination will be remains to be seen. Certainly the bulk of the evidence submitted has

UNIT TRUSTS III

The pitfalls of putting your trust in performance tables

By D. H. L. HOPKINSON, Investment Director, M and G Group

J. H. L. Hopkinson

When historians come to the growth of earnings on funds that only increases its earnings and anyone making an investment and judge the difficulties and it is no good having an investment from 2p to 2.2p. However, if most of his savings should not be the unit trust movement in investment with accumulating these figures are just added back to be ignorant of this break-up. By early 1970s they will be assets if it does not ever produce into the capital value of say 90p. There will be those who say undoubtedly stress the periodic earnings on those assets. No they become statistically insignificant. The producers of performance tables had on developments in investment is successful without being meaningless except in relation to provide a service for savers knowing how its earnings have been to insurance funds or other funds whose sole purpose is that makes up their minds for them without any effort, but this is exactly what has happened. We should, therefore, now examine how well the performance tables achieve what their supporters claim for the case. The reason is that a fund factor which performance tables them, namely the quantification of growth at this point by adding back every year the net income, but this is not a statistically unsound exercise.

relations agency to which may well lead to the financial press placed on the financial press not only encouraged the personalisation of such performance tables, but also from 2p to 2.4p in one year is the portfolio between different management expertise. The last major investment in the 1960s performed well, because corporation tax and capital of devaluation and the huge gains tax situations are rise in the investment dollar sufficiently at variance to throw premium. From the performance tables and the comment parisons, which are often based on the spread of growth of assets and management expertise.

It always seemed to me which attached to them, this on variations as small as 0.1p, was deemed to be due to good. It is not without relevance to

the several hundred funds in investment management, but because they have a multiplicity of investment objects. For in which base their figures on

stance, a fund investing in January 1 in each year are Australia is in no way comparatively useless because

parable with one investing in funds are only strictly comparable either on a basis of

ing at 7 per cent, comparable exactly a year before or by comparing one investing at 2 per cent, all funds whose account

All funds which had substantial periods end on the same

holdings in dollar stocks in the day. Otherwise, their dividend,

1960s performed well, because corporation tax and capital

of devaluation and the huge gains tax situations are

note that the largest general of most performance tables, but

unit trust in the country had to some scale of comparison for

alter its accounting date from the first fortnight in January

with every six-monthly report of

operating from January 1 a growth of asset value and

always made its performance

look poor because it went ex

dividend and ex tax in the first

week of the year. Such is the

influence of performance

tables.

Income growth

Some performance tables

make a half-hearted effort to

distinguish between income,

growth and specialised funds,

but this also can only be arbi-

trary and misleading. As to

weekly and monthly perfor-

mance tables and even one year

figures, these encourage a

totally irresponsible short-term

view of investment and have

led to warping the judgment

of many young investment

managers who have been mis-

guided enough to think they are

important.

It is important for the invest-

ment managers of unit trusts to

keep in mind who the saver is

and what he needs. In general

no one should normally invest

in a unit trust for less than five

years; in fact, the average unit

holder invests for more than 10

years and those saving in con-

nection with insurance schemes

seem to average out at about

12 years. Any performance

tables, therefore, should be for

as long a period as possible and

the eight year tables are begin-

ning to be helpful and informa-

tive, so long as information on

management changes is avail-

able.

From the above it is probably

clear that I do not think much

by the unit trust movement.

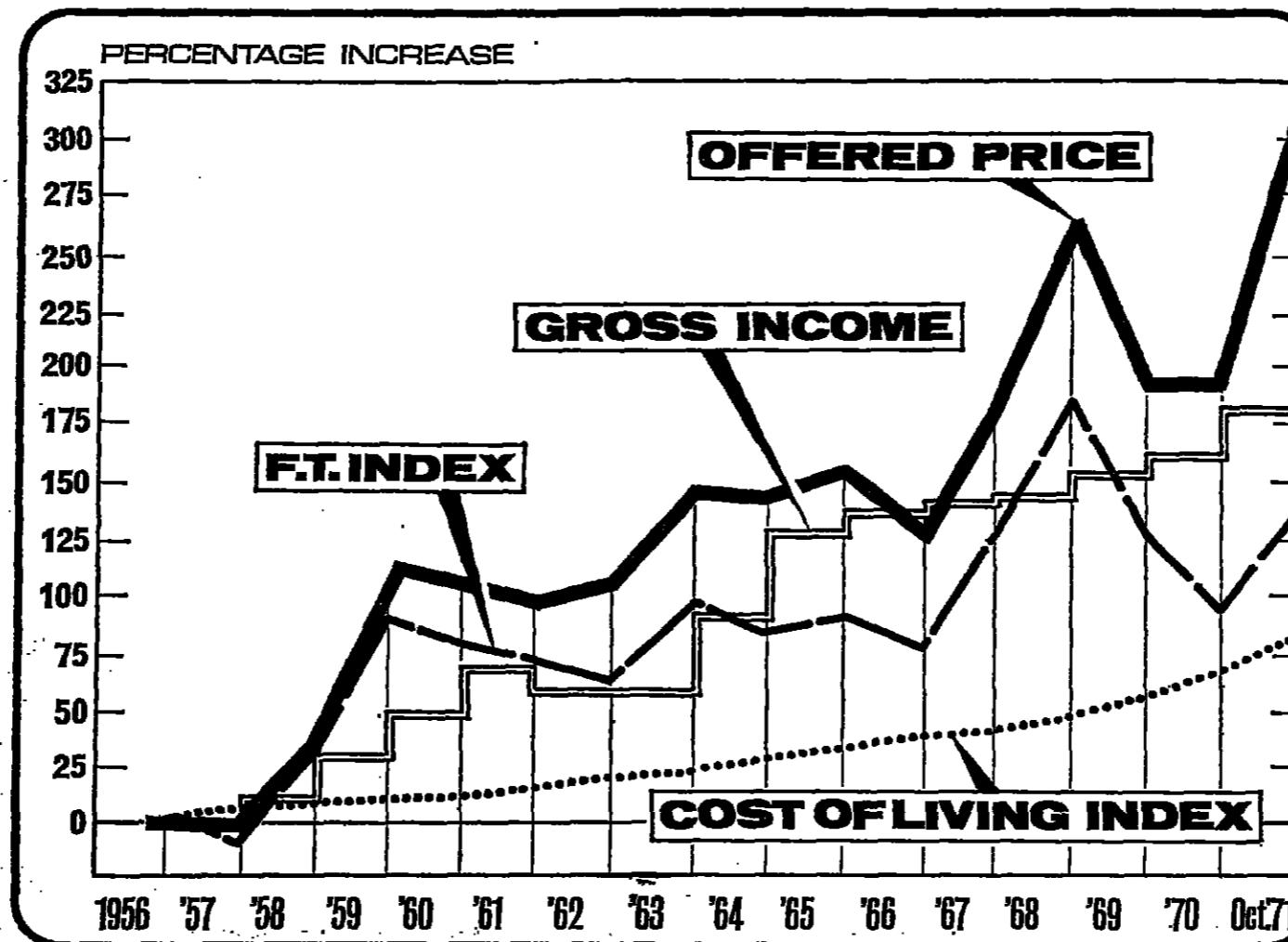


Mr. D. H. L. Hopkinson

COMPARATIVE RECORD OF A GENERAL FUND OVER 15 YEARS

How long
First, performance tables give a hint of how long the management has been running a fund; how often the management has changed or whether it has recently changed. This surely is the most important consideration of all when an investor is deciding to whom to entrust his money safely.

Secondly, performance tables do not refer to the size of a fund nor to an individual fund's relationship with other funds in a group nor to whether a particular fund may be being given special attention at the expense of other funds, with the resultant collapse that allows an artificially generated fever. A third point is that performance tables do not cover



Slater Walker Unit Trusts

All five Slater, Walker Unit Trusts have consistently out-performed the F.T.-Actuaries All Share and F.T. Ordinary Share Indices, since the funds were formed.

Whatever your investment requirements may be — above average income, growth, or a mixture of the two — these Trusts should provide a good opportunity for making a particularly sound investment.

Financial Trust

First offered in July 1971 to invest exclusively in financial institutions including Merchant Banks, Investment Trusts, Clearing Banks, Insurance Companies, Finance, and Discount Houses.

The trust attracted £2.37 million on its initial launch offer and a further £1 million at the time of the subsequent offer. In the period since launch, units have appreciated 10.8% compared with falls of 1.7% in the F.T. Ordinary Share Index and 0.8% in the F.T.-Actuaries All Share Index.

The managers are confident that the financial sector will remain attractive to investors especially in view of the government's recent expansionary measures.

Assets Trust

First offered in September 1970 to achieve sustained capital growth by investing in favourable 'asset situations'. These occur when a company's management fails to make sufficient profits out of the company's capital and the share price falls below the value of its assets per share. Such a company then becomes a prime target for a takeover or for introduction of new management and the share price should then rise as a result.

Since its launch the trust shows a rise of 57.6% compared with a 11.2% rise in the F.T. Ordinary Share Index and a 28.6% rise in the F.T.-Actuaries All Share Index.

This impressive performance reflects the great opportunities offered by 'asset situations' and the investment managers feel sure that they will be able to take advantage of the many situations which will continue to arise in the future.

High Income Trust

A fund giving an above average yield which also offers good capital growth prospects. In fact, throughout 1970 the trust consistently produced the best capital growth performance of all UK unit trusts, and is amongst the leaders in 1971.

Since launch in July 1969 the price of units has risen 89.2% whereas the F.T. Ordinary Share Index has risen only 13.2% over the same period, and the F.T.-Actuaries All Share Index by only 36.5%.

As for income, an initial investment of £250 in July 1969 would have produced £40.52 gross income. Currently, the trust is yielding £5.01 gross per £100.

With the stock market generally showing a firm trend, and many companies now beginning to earn better profits and pay bigger dividends, the trust is extremely well placed to continue to provide above-average long term growth of both income and capital.

Capital Accumulator Trust

For capital growth, where all income from the trust is automatically re-invested. This trust, formed in February 1969, has shown consistent relative out-performance having recorded a capital growth of 18.0% compared with a 16.7% fall in the F.T. Ordinary Share Index over the same period, and a 2.8% rise in the F.T.-Actuaries All Share Index.

The performance of this fund indicates an encouraging sign for capital growth investment in the longer term.

Growth Trust

The investment objective of this trust is to achieve capital growth at the same time as providing some income. As Invac, the trust was formed in May 1967 and since then has shown an impressive growth of 97.6%. This compares with a 14.5% rise in the F.T. Ordinary Share Index and a 67.4% rise in the F.T.-Actuaries All Share Index. Stock Market conditions have improved and the outlook for corporate profits in many sectors is more hopeful than for some time past, and therefore prospects for medium and long term investment are good.

All performance figures are up to 21st October, 1971.

Vavasseur group of unit trusts

Vavasseur offer a range of unit trusts to meet most investor's requirements. The trusts under management cover income, growth and specialised funds.

Here are just four:-

CAPITAL GROWTH

Capital Accumulator Trust

25.4% up since 1st January, 1971, 172% up since units were first offered in February 1957.

Estimated gross yield at 22 Oct 1971, 3.19%.

The emphasis is placed on shares which offer outstanding prospects of capital growth. Income is automatically re-invested.

Capital Expansion Fund

32.8% up since 1st January, 1971, 41% up since units were first offered in January 1967.

Estimated gross yield at 22 Oct 1971, 21.39%. This fund specialises in companies which have not only good capital growth prospects but which are likely candidates for takeovers or mergers.

INCOME

High Income Trust

20% up since 1st January, 1971, 41% up since units were first offered in November 1965.

Estimated gross yield at 22 Oct 1971, 8%.

One of the highest yields offered by any unit trust. The heavy concentration in ordinary shares in the portfolio, makes this trust particularly attractive through the recovery prospects provided by many of the stocks in the portfolio.

Vavasseur
UNIT MANAGEMENT LIMITED

SPECIALISED

Financial Fund

21% up since units were first offered in May 1971.

Estimated gross yield at 22 Oct 1971, 2.14%. This fund concentrates on the financial sector which offers sound investment prospects. As a leading City Group, intimately concerned with investment and money management, Vavasseur are in an exceptionally favourable position to select financial shares which have outstanding growth potential.

To: Vavasseur Unit Management Limited,
15 America Square, Crosswall,
London, EC3N 2LT. Tel: 01-438 4511

Please send me details of

Capital Accumulator Trust
 Capital Expansion Fund
 High Income Trust
 Financial Fund
 Other Trusts under management

Please tick where applicable

Name
BLOCK CAPITAL PLEASE
Address

FIX

UNIT TRUSTS VI

Views on property bonds as a competitive medium

By D. H. MAITLAND, Managing Director, Save and Prosper Group Ltd.

Autumn 1971 has seen the enough reason to gear up to vestors out of the stock market public's investment in what are manage a completely different generally. There is some evidence that generally called property bonds type of investment operation. This until the longer term attraction money has moved into property must represent some part of the vehicle became assured. But, by this time last year, it was becoming apparent that property bonds were likely to stay whom the transition to equities, through unit trusts, would be regarded as risky, whilst a temporary phenomenon, although still possible, that put out of balance by the postal strike.

There are now some 22 life companies undertaking this type of business. It is notable that the great majority of these are owned or controlled by large institutions. Unusually for a new industry, existing institutions have taken over the running at an early stage and are now pulling in the bulk of new money. In view of all the brochure about the business some two years ago, this should be encouraging, since these large institutions have every interest in employing best single premium unit-linked practices.

The larger unit trust groups were, arguably, slow to join in the business, but this is not surprising. A year and a half ago it was by no means assured that this new investment vehicle would really catch the public's interest. Few unit trust groups had property investment management facilities ready to hand. Therefore, high sales of property bonds through this source have kept some richer in-

devised for the purpose and it to subject themselves to the is not, now going to disappear. same criticism and totally Investors will rightly seek a unnecessary for them to do so. Investors ought not to go into spread over a wide range of investment vehicles and the property bonds for the short term on the basis of high education will move both ways. Whilst some will switch growth rates over the previous two or three years. They should buy for the long term, feeling their money is locked up with inflation hedge for the first time. These are people for whom the transition to equities, through unit trusts, would be regarded as risky, whilst a good chance of keeping pace with the equity market. Investment with inflation and with the horizons are far too narrow for probability that if they do have to liquidate there is less likelihood of this happening at the bottom of a sharp downturn as is often experienced with equities. But, equally, they should not expect the same opportunities for exceptional growth as can, from time to time, be found in equities. Over the years, nobody can tell which will do best, although one should expect a softer ride with property bonds. But, to sell on the basis of the very high growth that has been experienced over the past few years, is going to be bad for everyone.

It is not proposed to develop in this article the technology of property investment in relation to property bonds. There are, however, two points which are relevant to the themes discussed. The first is that it is much easier to seek (though never easy to find) the right kind of property if a fund is at a reasonable size. While it may not necessarily be true that the best investments are the largest, it is desirable for the investment managers to be able to operate over a wide range and not to be limited only to small properties. It thus becomes quite important to companies in the business to get reasonable inflows of new money in the first two years or so of operation.

The second point is that investment managers should not be overburdened in their choice by imperative pressures to achieve exceptional short term performance. Finding the right property takes time and, meanwhile, liquid resources may not earn a great deal. It is better to accept this situation than to pressurise investment managers to get invested in what may be found to be inferior properties. Similarly, the best investments for long term growth may not be those not respond in the same way to which provide the highest short term performance. Once again, business cannot be raised quickly to take advantage of inflation. Continued on next page

Protecting annuities against the attacks of inflation

By ERIC SHORT

The linking of unit trusts with life assurance has now become a common feature in the unit trust world and is one method of hedging against inflation. The advantages and performances of such contracts are well known and are dealt with in other articles.

However, the linking of unit trusts with other types of contracts normally issued by the traditional life offices has, in general, been conspicuous by their absence. A start has been made in this direction by a few companies and a discussion as to what is involved is now appropriate.

Opposite form

The field in which further developments are taking place is that of annuities. Immediate annuities are the opposite form of contract to life assurance. In the former, the investor is paid a lump sum in return for an annual income. While under a life assurance contract the investor pays a fixed annuity. Since most investors in these contracts are either a lump sum or a series of payments, the annuity would be considered as a means of issuing a contract which would keep its real value.

However, this solution is not as straightforward as would appear at first sight.

The yield obtainable on short-dated gilt-edged stocks is about 6 per cent, while that on equities is 3% per cent.

Thus with an equity-linked annuity the starting point would be well below that of the normal annuity.

While under a life assurance contract the investor pays a fixed annuity. Since most investors in these contracts are either a lump sum or a series of payments, the annuity would be considered as a means of issuing a contract which would keep its real value.

However, this solution is not as straightforward as would appear at first sight.

The yield obtainable on short-dated gilt-edged stocks is about 6 per cent, while that on equities is 3% per cent.

Thus with an equity-linked annuity the starting point would be well below that of the normal annuity.

A final point is that the market for this type of business is

much smaller than that of life assurance. Business in annuities is more of a steady flow and does not respond in the same way to which provide the highest short term performance. Hence business cannot be raised quickly to take advantage of inflation.

Continued on next page

The Crusader Growth Property Fund may not be the biggest, but...

although we don't promise the earth, we honestly think it will be among the best, because:

*Through a Crusader Growth Property Bond you have a share in the growth potential of a sound, carefully-selected property portfolio with the prestige attached to lessees such as the Home Office, MacFishes Ltd. (a member of the Unilever Group), Courtaulds Ltd., Mann Egerton & Co. Ltd.

*You have built-in life assurance protection.

*Valuations of property in the fund are carried out by professional independent valuers.

*Crusader's property team have many years' experience in this field; they are well qualified and equipped to work for those who show their faith in bricks and mortar by making this type of long term investment.

*It is backed by Crusader Insurance Company—established in 1899—whose assets have been doubling every five years to reach their present total of over £60,000,000. Similarly, life sums assured in force now exceed £427,000,000.

Be wise Crusaderwise

CRUSADER

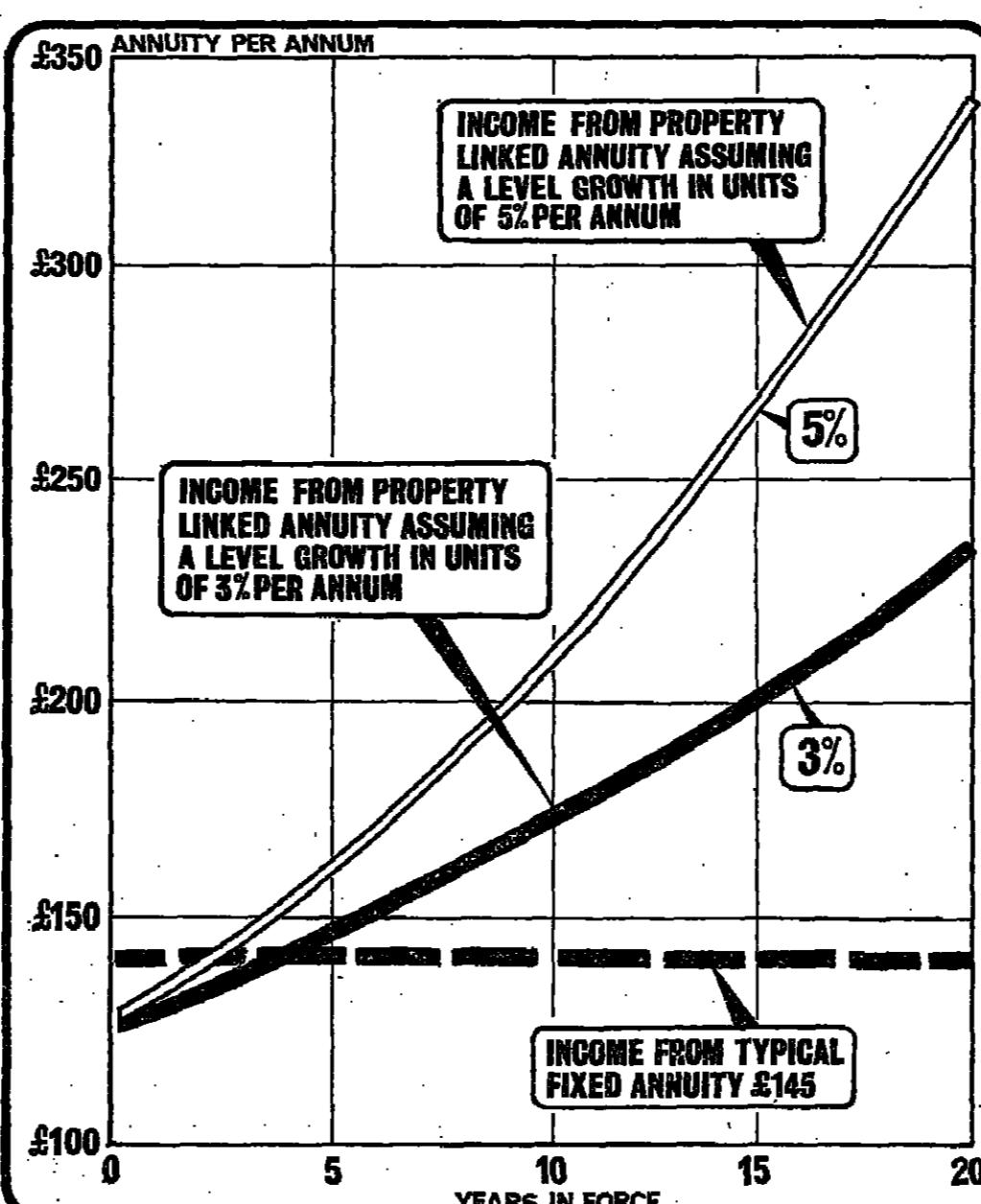
INSURANCE COMPANY LIMITED
ESTABLISHED 1899 ASSETS EXCEED £60,000,000
HEAD OFFICE: REIGATE, SURREY RH2 8BL

Please send me CRUSADER PROPERTY BONDS BOOKLET

Name (BLOCK LETTERS PLEASE)

Address

A MEMBER OF THE BOWRING GROUP

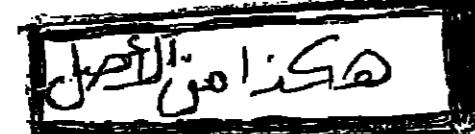


FRIENDSPLAN

Linked to Friends' Provident Units.

Friends' Provident & Century Life Office, 7 Leadenhall St., London EC3P 5BA

Group funds exceed £200,000,000. Sums Assured in force exceed £1,000,000,000.





UNIT TRUSTS VII

Marketing shortfalls spark new thinking

By JEREMY EDWARDS, Joint Managing Director, Vavasseur Unit Management Ltd.

The present state of the unit trust industry is causing disappointment to many management companies, which suggests that there may now be a need for some reappraisal of the marketing approach.

Following years of successful marketing, many unit trust managers have recently seen their sales declining, repurchases increasing and the general public reluctant to acknowledge the merits of unit trusts. Indeed, because the unit trust industry is said to be doing badly, many investors and savers believe this to be a reflection of their performance as well. The fact is that despite the recovery in stock market prices, sentiment is still largely against unit trusts. In previous bull markets unit trust sales have tended to pick up more quickly. In the current bull market, this has not happened and in order to isolate the reasons for the current lack of interest it is necessary to recall

the factors which contributed to that was far less volatile than the boom of the 1960s.

Unit trusts became accepted

as an investment medium on a

wide scale for the first time

during this period. Their emergence coincided with a sharp increase in the pace of inflation which led to much greater public interest in the equity market. The bull markets of the 1960s, and particularly that of 1967-68, provided unit trusts with the performance necessary to justify their claims to beat inflation. Moreover, they provided the established investor rising, has to a significant extent lost its effectiveness. Looking

Advertising device

In line with this loss of momentum, the former main marketing device of the unit trust industry, newspaper advertising

and in order to isolate the

reasons for the current lack of

interest it is necessary to recall

back to the early 1960s, unit trust advertising increased steadily and the levels reached in 1968 and 1969 were nothing short of phenomenal. In those years virtually any advertisement in any newspaper would more likely than not yield sufficient sales, not only to cover the cost of the advertisement, but also to provide a substantial surplus of profit. The effect on sales was therefore considerable and advertising expenditure expanded at a correspondingly fast rate.

Since that time expenditure has fallen away sharply as illustrated by the figures in the table.

The question remains whether unit trust newspaper advertising will recover its former effectiveness. Although the underlying cause of the decline was the severity of the 1968-70 bear market, the competition provided by the bond markets, and in particular property and insurance bonds, together with the increasing public allegiance to fixed interest savings such as building societies and national savings, has greatly influenced the swing away from unit trusts.

Whereas in the 1960s the major proportion of funds coming into the industry was derived from single premium unit trust investment, to-day

the picture has changed considerably and unit-linked life assurance schemes have now

become significant contributors to unit trust sales. These schemes have not been affected by the poorer conditions for unit trusts to the same extent

because they offer the investor the opportunity to contribute over a long period of time on a monthly contractual basis, whilst at the same time offering specific tax advantages. By this method unitholders are able to counteract the fluctuations of the market.

These policies have primarily been sold through the direct door-to-door method. There are two types of temporary assurances which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

which are used to cover school fees and income benefits, which

are used to provide protection against inflation and where a

It doesn't
take
a lot of
money

To make a
lot of
money

In property



International Life

For further information contact
The International Life
Insurance Company (U.K.) Ltd.,
International Life House,
Wembley, Middlesex, HA9 0NB.
or Telephone 01-903 4811

Please let me have more details.

Name _____

Address _____

Tel. No. _____

Age _____ F.T.1

As little as £10 a month—or even £5—is enough to buy a stake in the booming property market through an International Life Property-linked Policy.

True, you will not be able to claim more than a few bricks worth of any building for that. But every property and every savings plan needs a foundation stone. As more "bricks" are added over the ten year life of the plan the value of making that first important move becomes plainer.

Every monthly investment is marked by the addition of International Life Property Units—your "bricks"—to your policy.

The value of these units grows as the underlying properties are up-valued by inflation and rising rental income.

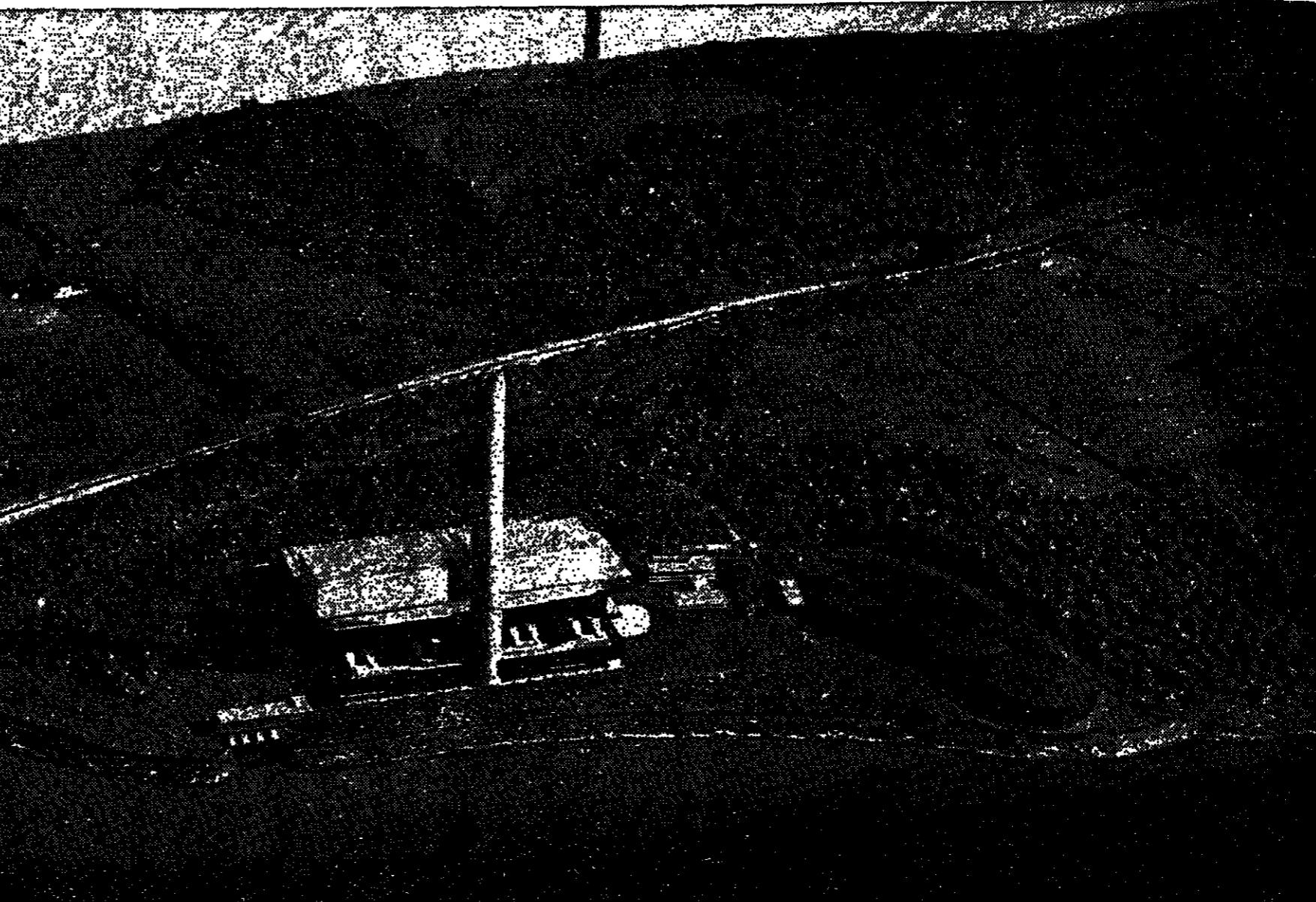
International Life Property Units, which were launched in January 1970 have already performed outstandingly—showing a rise of 25% in less than 2 years.

Just as every property has a roof for protection against rainy days, so International Life's Property Plan offers protection by insurance. The important difference is that our roof—i.e. insurance—covers you from the first day of your plan and, incidentally, provides income tax relief too. If you should die, your dependants collect the guaranteed insurance value PLUS all the savings you have accumulated.

You may if you wish cash your policy early—though the best results are achieved by completing the plan.

If you are interested in a plan to build up your savings "brick-by-brick" or would prefer making a lump sum investment, fill in the coupon below.

UNIT TRUSTS VIII



Model of the South of Scotland Electricity Board's 1,980,000-kilowatt oil fired power station now under construction at Inverkip, Renfrewshire, on the Firth of Clyde.

Specialist skills and the pension funds

By DRYDEN GILLING-SMITH

Before the days of Crossman what is surprising is that the most controversial pensions very little real effort seems to have been put into any real topic was usually whether a company scheme should be insured or self-administered. Most arguments on this topic were inconclusive and the participants finished the day by re-asserting their faith in which a company could save ever dogma currently enabled money by adopting a "do-it-yourself" approach because in this way it could pocket the money that would otherwise go to the insurance company in profit. The advocates of self-administration were fond of asserting that a company could save money by adopting a "do-it-yourself" approach because in this way it could pocket the money that would otherwise go to the insurance company in profit. There were the obvious rejoinders to the do-it-yourself campaign and when the analogy with direct labour building projects was drawn there was no shortage of examples to show that some public bodies had lost vast sums as a result of expensive attempts to "do-it-yourself."

Fortunately pension opinion is now moving away from this excessive polarisation and companies are tending to regard the various tasks connected with running a pension scheme in the light of the different specialist skills that may exist within the company already or which should be bought in from outside.

One of the traditional weaknesses of British pension scheme management was an excessive preoccupation with technical "how it's done" questions rather than with the much more fundamental questions of what benefits should be provided and for whom.

Benefit formula

The up-and-coming company pensions officer was often tempted to believe that his role in the company was to prove himself as an investment whiz-kid—and this was a tempting idea in a world that seemed to live perennially in a bull market climate—rather than as someone who should be concerned primarily with up-dating the benefit formula and with the difficult task of communicating the benefits actually provided to employees.

If the best market shake-out of 1969-70 has had a salutary effect on company pensions thinking it has been to bring home the realisation that investment of employee money requires expertise and is not a job for amateurs. Unless, therefore, the company is in the investment business it will normally pay to entrust the investment of pension fund money either to a merchant bank or to an insurance company.

Who in honesty could seriously advance the proposition that a superior level of investment expertise would automatically be found in one or other of these financial institutions? The tendency would inevitably be for the advocates of self-administration to lay great stress upon the yield of the pension funds managed by merchant banks and for the advocates of insured schemes to point to the benefits of a comprehensive pensions management service embracing the skills of administration, benefit communications, actuarial valuations, and so on, that were all wrapped up in the standard pensions service provided by an insurance company.

A company with a pension identified with a mechanism regards investments in property with perhaps 5,000 or for enabling companies with party, equities and fixed-interest

analysis of what was meant by "insured" or "self-administered." The development of this unit-based pensions contract has been of major significance for large companies with pension

plans with self-administered pension companies had often been through some heart-searching moments while it

itself had to go self-administered. How could it prove or disprove these allegations when it was

trying to compare the premiums and bonuses of, say, a with-profit group pension policy

which included all the administrative and professional service

costs of running a pension scheme with the gross yield obtained by a merchant bank on the pension funds which had been entrusted to its care?

Even more misleading could be the attempts to compare such

yield by simply looking at the amount the company was paying into the pension fund each year—of course, the amount paid in depends upon the funding rate decided by the actuary and funding rates can vary widely according to the assumption which the company or the actuary decide to make.

As far back as the early 1950s

attempts were being made to sell an insured pension arrangement known in the trade as "deposit administration," under which the investment service provided by the insurance company was separated out so that the pension fund could ascertain the investment yield which was obtaining.

The normal type of deposit administration contract, however, was no more than an attempt to reflect the overall yield of the insurance company's investments in the individual pension scheme.

Furthermore, deposit administration tended to be generally

based on the view that if an insurance company is entrusted with the investment of a pension fund it should not be interfered with.

This is perhaps a purist view in that a company with a self-administered fund can make all its investment decisions. It seems, therefore, a reasonable half-way solution to allow discretion as you pay for.

Separate fund

The real breakthrough came at the end of the 1960s with the introduction of what is described as the "managed fund." Under this arrangement the assets representing a company's pension investments, or possibly a pool of company pension investments, were held in a separate fund so that both the interest income and capital gains could be ascertainable.

With the rapid development of unit-linked life assurance it was inevitable that the question of adopting a unit base for a pension scheme should be given serious consideration. The managed fund Mark 2 is in fact based upon the unit principle,

but with the trustees of the pension fund left free to decide each year how much would be invested in equity units, how much in property units and how much in fixed-interest units.

Arguments have been advanced against this development based on the view that if an insurance company is paid for at a realistic rate but this is inevitable and perhaps a desirable development in a period where the services provided by insurance companies are more and more being broken down into their constituent parts and charged

separately.

The investment guarantees that have been built into the traditional types of insured pension policy may well disappear from the scene in many company schemes. Where they

are required they will have to be paid for at a realistic rate but this is inevitable and perhaps a desirable development in a period where the services provided by insurance companies are more and more being broken down into their constituent parts and charged

separately.

The investment guarantees that have been built into the traditional types of insured pension policy may well disappear from the scene in many company schemes. Where they

are required they will have to be paid for at a realistic rate but this is inevitable and perhaps a desirable development in a period where the services provided by insurance companies are more and more being broken down into their constituent parts and charged

separately.

The investment guarantees that have been built into the traditional types of insured pension policy may well disappear from the scene in many company schemes. Where they

are required they will have to be paid for at a realistic rate but this is inevitable and perhaps a desirable development in a period where the services provided by insurance companies are more and more being broken down into their constituent parts and charged

separately.

The investment guarantees that have been built into the traditional types of insured pension policy may well disappear from the scene in many company schemes. Where they

are required they will have to be paid for at a realistic rate but this is inevitable and perhaps a desirable development in a period where the services provided by insurance companies are more and more being broken down into their constituent parts and charged

separately.

The investment guarantees that have been built into the traditional types of insured pension policy may well disappear from the scene in many company schemes. Where they

are required they will have to be paid for at a realistic rate but this is inevitable and perhaps a desirable development in a period where the services provided by insurance companies are more and more being broken down into their constituent parts and charged

separately.

The investment guarantees that have been built into the traditional types of insured pension policy may well disappear from the scene in many company schemes. Where they

are required they will have to be paid for at a realistic rate but this is inevitable and perhaps a desirable development in a period where the services provided by insurance companies are more and more being broken down into their constituent parts and charged

separately.

The investment guarantees that have been built into the traditional types of insured pension policy may well disappear from the scene in many company schemes. Where they

are required they will have to be paid for at a realistic rate but this is inevitable and perhaps a desirable development in a period where the services provided by insurance companies are more and more being broken down into their constituent parts and charged

separately.

The investment guarantees that have been built into the traditional types of insured pension policy may well disappear from the scene in many company schemes. Where they

are required they will have to be paid for at a realistic rate but this is inevitable and perhaps a desirable development in a period where the services provided by insurance companies are more and more being broken down into their constituent parts and charged

separately.

The investment guarantees that have been built into the traditional types of insured pension policy may well disappear from the scene in many company schemes. Where they

are required they will have to be paid for at a realistic rate but this is inevitable and perhaps a desirable development in a period where the services provided by insurance companies are more and more being broken down into their constituent parts and charged

separately.

The investment guarantees that have been built into the traditional types of insured pension policy may well disappear from the scene in many company schemes. Where they

are required they will have to be paid for at a realistic rate but this is inevitable and perhaps a desirable development in a period where the services provided by insurance companies are more and more being broken down into their constituent parts and charged

separately.

The investment guarantees that have been built into the traditional types of insured pension policy may well disappear from the scene in many company schemes. Where they

are required they will have to be paid for at a realistic rate but this is inevitable and perhaps a desirable development in a period where the services provided by insurance companies are more and more being broken down into their constituent parts and charged

separately.

The investment guarantees that have been built into the traditional types of insured pension policy may well disappear from the scene in many company schemes. Where they

are required they will have to be paid for at a realistic rate but this is inevitable and perhaps a desirable development in a period where the services provided by insurance companies are more and more being broken down into their constituent parts and charged

separately.

The investment guarantees that have been built into the traditional types of insured pension policy may well disappear from the scene in many company schemes. Where they

are required they will have to be paid for at a realistic rate but this is inevitable and perhaps a desirable development in a period where the services provided by insurance companies are more and more being broken down into their constituent parts and charged

separately.

The investment guarantees that have been built into the traditional types of insured pension policy may well disappear from the scene in many company schemes. Where they

are required they will have to be paid for at a realistic rate but this is inevitable and perhaps a desirable development in a period where the services provided by insurance companies are more and more being broken down into their constituent parts and charged

separately.

The investment guarantees that have been built into the traditional types of insured pension policy may well disappear from the scene in many company schemes. Where they

are required they will have to be paid for at a realistic rate but this is inevitable and perhaps a desirable development in a period where the services provided by insurance companies are more and more being broken down into their constituent parts and charged

separately.

The investment guarantees that have been built into the traditional types of insured pension policy may well disappear from the scene in many company schemes. Where they

are required they will have to be paid for at a realistic rate but this is inevitable and perhaps a desirable development in a period where the services provided by insurance companies are more and more being broken down into their constituent parts and charged

separately.

The investment guarantees that have been built into the traditional types of insured pension policy may well disappear from the scene in many company schemes. Where they

are required they will have to be paid for at a realistic rate but this is inevitable and perhaps a desirable development in a period where the services provided by insurance companies are more and more being broken down into their constituent parts and charged

separately.

The investment guarantees that have been built into the traditional types of insured pension policy may well disappear from the scene in many company schemes. Where they

are required they will have to be paid for at a realistic rate but this is inevitable and perhaps a desirable development in a period where the services provided by insurance companies are more and more being broken down into their constituent parts and charged

separately.

The investment guarantees that have been built into the traditional types of insured pension policy may well disappear from the scene in many company schemes. Where they

are required they will have to be paid for at a realistic rate but this is inevitable and perhaps a desirable development in a period where the services provided by insurance companies are more and more being broken down into their constituent parts and charged

separately.

The investment guarantees that have been built into the traditional types of insured pension policy may well disappear from the scene in many company schemes. Where they

are required they will have to be paid for at a realistic rate but this is inevitable and perhaps a desirable development in a period where the services provided by insurance companies are more and more being broken down into their constituent parts and charged

separately.

The investment guarantees that have been built into the traditional types of insured pension policy may well disappear from the scene in many company schemes. Where they

are required they will have to be paid for at a realistic rate but this is inevitable and perhaps a desirable development in a period where the services provided by insurance companies are more and more being broken down into their constituent parts and charged

separately.

The investment guarantees that have been built into the traditional types of insured pension policy may well disappear from the scene in many company schemes. Where they

are required they will have to be paid for at a realistic rate but this is inevitable and perhaps a desirable development in a period where the services provided by insurance companies are more and more being broken down into their constituent parts and charged

separately.

The investment guarantees that have been built into the traditional types of insured pension policy may well disappear from the scene in many company schemes. Where they

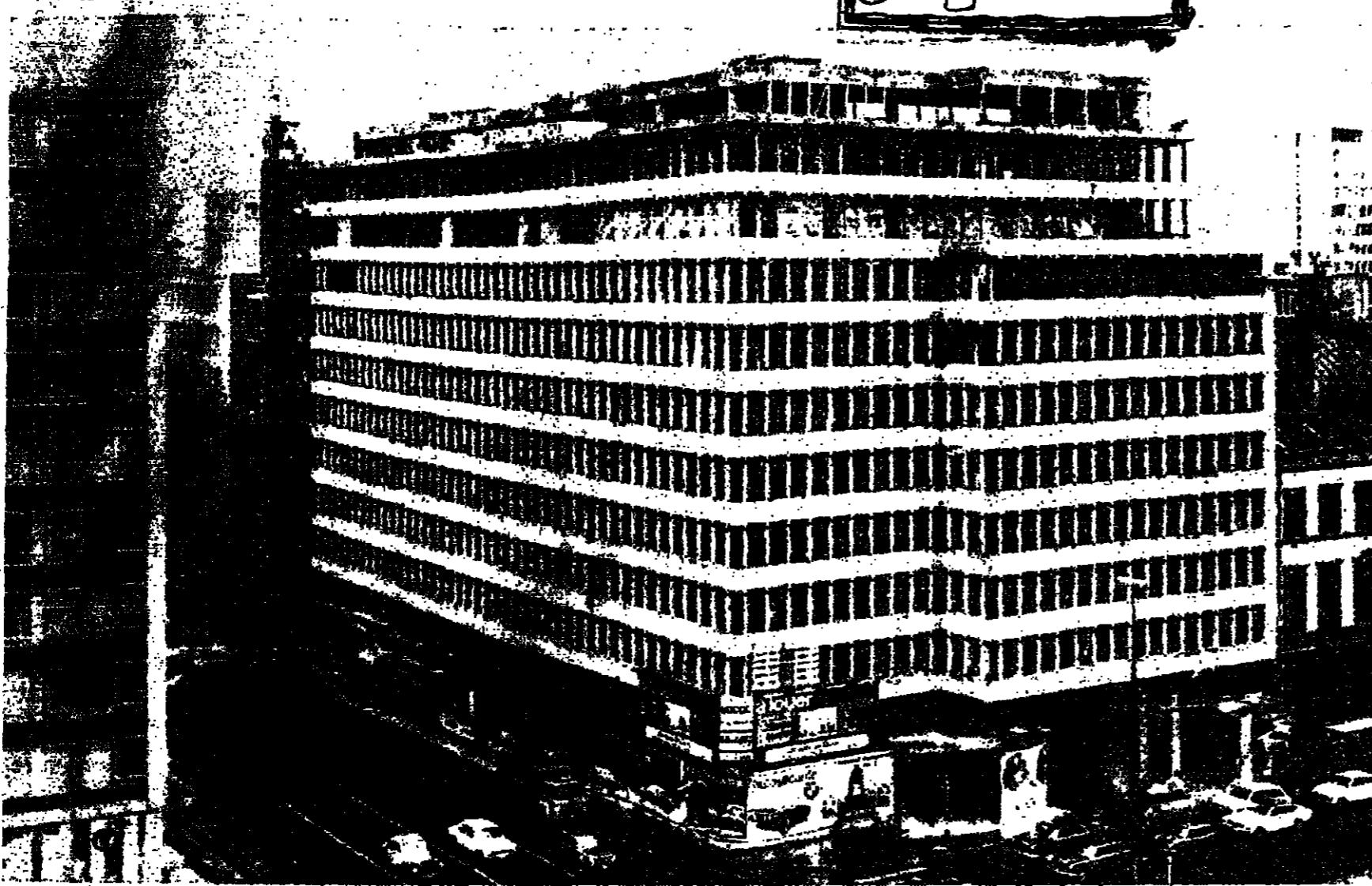
are required they will have to be paid for at a realistic rate but this is inevitable and perhaps a desirable development in a period where the services provided by insurance companies are more and more being broken down into their constituent parts and charged

separately.

The investment guarantees that have been built into the traditional types of insured pension policy may well disappear from the scene in many company schemes. Where they

are required they will have to be paid for at a realistic rate but this is inevitable and perhaps a desirable development in a period where the services provided by insurance companies are more and more being broken down into their constituent parts and charged

UNIT TRUSTS IX



An 11-storey office block developed by Taylor Woodrow Property Company's subsidiary, Taylor Woodrow (Arts/Loi) S.A. in Brussels.

There is a lot to be said for investing in Europe

By PETER RIDDELL

As the date for Britain's entry into the EEC approaches, the important barriers to overcome in the unit trust industry, in common with the rest of the City, is being valuation procedures beginning to work out the implications and possible benefits. To significant differences between the U.K. and the EEC but also emerged but the opportunities between the Six themselves, are apparent enough if Germany and Holland are in only contrast to the marked degree of insularity at present in the level that is normal in the U.K. following the 1967

Thus there are only two U.K. following the 1967 authorised U.K. unit trusts which now specialise in Continental markets—Schroder Europe (formerly the Trans Europe Investment Trust) and Save and Prosper's European Growth Fund (formerly Cross Channel units). There are, however, several other funds with international portfolios, mainly in the U.S., Japan and Australia. At the same time there has been little investment in U.K. unit trusts so far by EEC residents. In part this is a result of tax laws (notably, withholding provisions) and exchange control regulations, but the IOS

probable that the EEC entry will, of course, remove many of these formal obstacles to investment, as capital movements will have to be freed in line with Community directives. Thus the investment dollar premium mechanism—at present a major obstacle—will be phased out and steps to dismantle the pool should probably begin soon after entry in 1973.

Remove obstacles

EEC entry will, of course, remove many of these formal obstacles to investment, as capital movements will have to be freed in line with Community directives. Thus the investment dollar premium mechanism—at present a major obstacle—will be phased out and steps to dismantle the pool should probably begin soon after entry in 1973.

But this will still leave several Community, enabling the unit nearly five times our own population, closure and their shares should into the EEC approaches, the important barriers to overcome from throughout Europe? The actual development will probably be slow as on the one hand City is certainly confident enough at the prospect of entry unit trusts learn more about the needs of this market and develop more skilled and sophisticated new promotional techniques and joint international projects, on the other Continental savers namely the North Sea exploration.

The key factor here for unit trusts is the different tradition and development of equity investment in the Six compared with the U.K. Thus the London stock market is far and away by U.K. unit trusts in the strongest in Europe: at the end of 1970, for example, the it would not be surprising to see several specialist European markets as £35,200m, whereas funds coming on to the scene if the U.K. alone was valued at and when any public enthusiasm for entry develops. At present, fewer stocks quoted on the Continent than in the U.K. most fund managers seem relatively ignorant about the controlled by the state, banks or tailed situation in European family-owned trusts. Only 50 markets though the merchant companies in the EEC have banks, with their existing capitalisations of over £100m, against 60 in the U.K. remedy this deficiency.

But in the short-term at least greater opportunities would seem to lie in increased investment in the U.K. Thus the London stock market is far and away by U.K. unit trusts in the strongest in Europe: at the end of 1970, for example, the it would not be surprising to see several specialist European markets as £35,200m, whereas funds coming on to the scene if the U.K. alone was valued at and when any public enthusiasm for entry develops. At present, fewer stocks quoted on the Continent than in the U.K. most fund managers seem relatively ignorant about the controlled by the state, banks or tailed situation in European family-owned trusts. Only 50 markets though the merchant companies in the EEC have banks, with their existing capitalisations of over £100m, against 60 in the U.K. remedy this deficiency.

The background to these differences was identified in the Segre report of 1966, which pointed out that the preference of small savers for liquidity in their investments has meant that small savings have tended to be channelled to industry via savings banks and the like. In the absence of open and active stock markets investors have shunned equities and the lack of an efficient secondary market has discouraged institutional investment as well.

Risen strongly

Given all this the confidence of London looks justified and the lines of the Dunlop-Pirelli merger, should produce some attractive investment situations for unit trusts. Such companies will automatically have to conform to high standards of accounting practice and dis-

There is, in fact, a lot to be said for investing in Europe at the moment as most of the main EEC stock markets, though influenced by similar inflationary and international trade pressures as the U.K., have remained comparatively depressed while our market has risen strongly. A good illustration of this is the sizeable price discrepancy between London and Amsterdam in the case of both Shell and Unilever.

Over the longer run the growth of international companies within the EEC, along the lines of the Dunlop-Pirelli merger, should produce some attractive investment situations for unit trusts. Such companies will automatically have to conform to high standards of accounting practice and dis-

We have a growing reputation

At Jessel Britannia we are great believers in performance.

Look at the record of our investment team—three trusts in the top ten for the three years to 30th September, 1971.

And that doesn't include Property Shares & General, launched in October, 1968. Between then and 25th October, 1971 the value of units had increased by no less than 79%.

Nor does it include our Plantations & General Fund, launched in October, 1970. This trust currently offers one of the highest yields in the business—7.86% p.a. as at 25th October, 1971—and by then units had already appreciated by no less than 43%.

No wonder we have earned a growing reputation.

To find out more about Jessel Britannia's trusts and services, write to Jessel Britannia Group Ltd., 155 Fenchurch Street, London EC3M 6BX, or ring George Wilson on 01-623 7585. He will be delighted to tell you more.

JESSEL BRITANNIA

Lloyds Bank moved into the unit trust field only 5 years ago. Yet, already, 94,000 people have invested over £41,000,000 in Lloyds Bank First, Second and Third Unit Trusts. These unit holders know that our investment expertise offers long-term protection against the ravages of inflation, plus the prospect of healthy extra growth. They also appreciate the convenience of buying and selling units over the counter at more than 2,350 branches of Lloyds Bank, even if they are not Lloyds Bank customers.

For more information, please call at any Lloyds Bank branch, or write to Lloyds Bank Unit Trust Managers Limited, 71 Lombard Street, London EC3P 3BS.

From nothing to over £41,000,000 in five years.

Lloyds Bank Unit Trusts

Charges increase—(Cont'd)

Continued from previous page

equally plain. For the Government, has done much to witness the mushrooming growth of property bonds in recent years, and the level of loss of revenue, which rather tends to rule out (?) hopes of industry might have then centre complete exemption. However, upon gains tax administration the present Government when and fee levels. The trustees fighting for election in 1970 role, advertising restrictions and will, London emerge as the investors. And while the potential in an enlarged market with accounting practice and dis-

investment. Given all this the confidence of London looks justified and the lines of the Dunlop-Pirelli merger, should produce some attractive investment situations for unit trusts. Such companies will automatically have to conform to high standards of accounting practice and dis-

investment. What the door-to-door direct selling could industry is particularly hopeful involve more problems than its about a switch in the way intrinsic worth. The obvious gains tax is paid. At present point here is the sheer expense the liability lies with the fund of maintaining an effective and groups, which pass it on to the acceptable squad of selling unitholder via a costly administrative process. The fund could afford such practices, and groups argue that the liability even then it is a moot point should be laid wholly at the door of the investor who should the public's present distaste for equities—would be able to pay their way.

Most fund groups agree that some exemption. What the door-to-door direct selling could industry is particularly hopeful involve more problems than its about a switch in the way intrinsic worth. The obvious gains tax is paid. At present point here is the sheer expense the liability lies with the fund of maintaining an effective and groups, which pass it on to the acceptable squad of selling unitholder via a costly administrative process. The fund could afford such practices, and groups argue that the liability even then it is a moot point should be laid wholly at the door of the investor who should the public's present distaste for equities—would be able to pay their way.

The Stock Market is graphically illustrated by the currently declining trends in sales of new units and in the high levels of these lines emerging from the re-purchases—the cashing-in of latest Budget, and in that existing units. These trends respect there were plenty of lead to yet another obvious long faces in the industry when question, namely, should the nothing materialised. However, fund groups stick to equities in the scope for unit trusts is almost unlimited.

The Common Market looks large. There is a growing sophistication in world Stock Markets and world demand for investment continues to grow. As investment integration between nations takes place the outlook for the investing public would seem promising, while the scope for unit trusts is almost unlimited.

Given some encouragement through specialisation to solid pay out on the realisation of any investments.

Some stimulus

The industry at large had great hopes of something along these lines emerging from the re-purchases—the cashing-in of latest Budget, and in that existing units. These trends respect there were plenty of lead to yet another obvious long faces in the industry when question, namely, should the nothing materialised. However, fund groups stick to equities in the scope for unit trusts is almost unlimited.

Given some encouragement through specialisation to solid pay out on the realisation of any investments.

When it comes to some form of exemption from capital gains tax (30 per cent) charge. This, public's funds together with tax concessions to the income sector of the stock equities is, of course, property, could be enhanced.

CUT INCOME TAX KEY

I would like to add £500 p.a. to my income and pay little tax on it.

Please tell me how.

Name
(Block capitals please)
Address

For details of the new Key Capital Return Plan post this coupon to Key Fund Managers Ltd, 1 Angel Court, London EC2 - an associated company of Merchant Bankers, Keyser Ullmann Ltd.

This is not an insurance scheme and there will be no callers.

The Robert Fleming Property Unit Trusts

PROPERTY INVESTMENT & FINANCE

The Trusts which were formed in association with the Save and Prosper Group specialise in the purchase and development of Office & Industrial properties including purchase and development of new developments, new development by leasehold and outright purchase of existing properties on behalf of full or partly tax exempt pension funds.

TRUSTEES
ROBERT FLEMING & CO. LTD.

Details to:
PROPERTY INVESTMENT
MANAGER,
J. NEWMAN, BSC, FRICS
8 CROSBY SQ., LONDON,
E.C.3.
OR RETAINED SURVEYORS

ALLSOP & CO.
21 Sloane Square
London SW1 6AX
01 437 6977

UNIT TRUSTS X

The advantages for the larger investor

By W. G. OATES, Marketing Manager, Hill Samuel Unit Trust Managers Limited

Although unit trusts originated 40 years ago it was only in 1962 that unit trust management companies began to cater specifically for the larger investor by launching trusts with a high minimum initial investment. Since then, this type of trust has enjoyed increasing popularity and at the end of December, 1970, there was some £145m. invested in unit trusts requiring a minimum £1,000 initial investment.

A fair amount is known about the sort of investor attracted to these unit trusts: he will invariably own his own home, have reasonable life assurance arrangements, pay income tax at the standard rate, often surtax as well, and his estate is probably liable to duty at 30 per cent or more.

Because his investment in stocks and shares may be only one aspect of his personal financial affairs he has problems not experienced by the smaller investor. Often he needs to use several different investment mediums to achieve his investment and savings objectives: to obtain the greatest benefit a prudent deployment of his assets is required.

Before looking at unit trusts a brief consideration of the pros and cons of other investment media can show the merits of deployment or diversification.

Now that the tax allowance on bank interest paid on general overdraft facilities is limited, it is more important than ever to have some funds available on instant call for emergency. Building society and bank deposits are ideal for this purpose. However, both are subject to surtax and neither afford protection against the erosion of value from inflation. It is important therefore to keep such money at no more than the maximum level required for emergency.

Little protection

National Savings can also provide fairly accessible funds and also often without any tax problems. Again, however, there is little protection to capital value in this age of inflation.

Insurance bonds of various types provide an answer to inflation and, although they can provide tax-free income on a withdrawal basis, an investor could be locked in until his tax situation is right for him to come out. Frequently an investor in bonds will find his tax liability increases as his income increases so that he must wait until retirement, when his income reduces, before coming cost of dealing, maintaining

Five years to
August 31, 1971

FT All Share Index (average of 621 shares) ...	+99.3%
Unitholders Index* (average of all unit trusts) ...	+78.4%
FT Ordinary Share Index (30 selected Ordinary Shares) ...	+35.9%
Index based on General Index of Retail Prices ...	+32.4%

* The Unitholder Index is an average of the growth of all unit trusts which is published monthly by Money Management and Unitholder.

out of the bonds. This could records and coping with all the be a problem on an estate duty paperwork is usually unprofitable exercise if cash is able unless each investment is of the order of between £2,500 and £4,000 in value. Since a

means of protection against spread of approximately 40 inflation: property and stocks shares is desirable to obtain a spread of risk and a balanced portfolio, the minimum portfolio required is around £100,000. This is why few merchant banks offer portfolio management to people with less than £100,000 (many stipulate a £250,000 minimum).

This is where unit trusts come into their own. Take, for example, an investor with £20,000. He probably has 20 to 30 investments bringing him in between 40 and 60 dividends a year. Every time he buys and sells he has to make capital gains tax calculations. He has constant worries as to whether he is buying the right shares at the right time—and there is always the danger that he is missing investment opportunities or that a rights issue or merger scheme will involve one of his investments while he is away on holiday or abroad on business.

Were he to put all, or part, of his capital into unit trusts these problems would be considerably reduced. He can still achieve his own particular investment emphasis by using part of his funds to purchase reasonably sized holdings in a limited number of shares which he could then supervise more easily and be more likely to get frequent advice from his stockbroker.

Finally there are Stock Exchange investments, where Ordinary shares in companies can provide a useful hedge against inflation and give a greater opportunity for diversification and spread of risk than direct property investment. But there are problems. Considerable expertise is required in knowing which shares to select, when to buy and when to sell them. Most investors need the advice of a stockbroker though the pressures of rising costs have made it difficult for the stockbroker to monitor private client funds as often as he would like to do.

The larger investor is not necessarily faced with the same problem as the small investor in getting a balanced spread of shares, so essential in reducing the risk element. But especially with rising costs, it is difficult for him to obtain the advice and day-to-day management of his shareholdings which is so important in making the most from his investments.

Professional portfolio managers supervising investments on a day to day basis find the income increases so that he must wait until retirement, when his income reduces, before coming cost of dealing, maintaining

term investment.

In fact, at the end of June, 1971, less than 100 unit trusts had been in existence for more than five years and only about 10 per cent of these had failed to beat the Financial Times Industrial Ordinary Shares Index over that period. Two of them have been invested in fixed interest stocks, and six have been part of a group which has undergone constant management changes.

The All-Share Index is far more difficult to beat and only about 10 per cent of all unit trusts have achieved this over the long term. Save and Prosper, M & G, Ebor, Allied Hamro and Hill Samuel are among those unit trust management groups who have at least two trusts in this category over a five to eight-year period.

Performance tables

The wise investor should select a management group which has one or two of their trusts with a long-term record of outperforming the All-Share Index and whose other trusts appear consistently in the top 50 performance tables over a period of two to three years.

This method of selection does omit some of the newer management companies with considerable reputation for investment expertise and it also ignores the possible change of management over the years. However, investment management of unit trusts with its gains tax, non-gearing, unfranked income and liquidity problems does call for a different management investment approach. Selecting from groups who have proved their ability therefore has its merits.

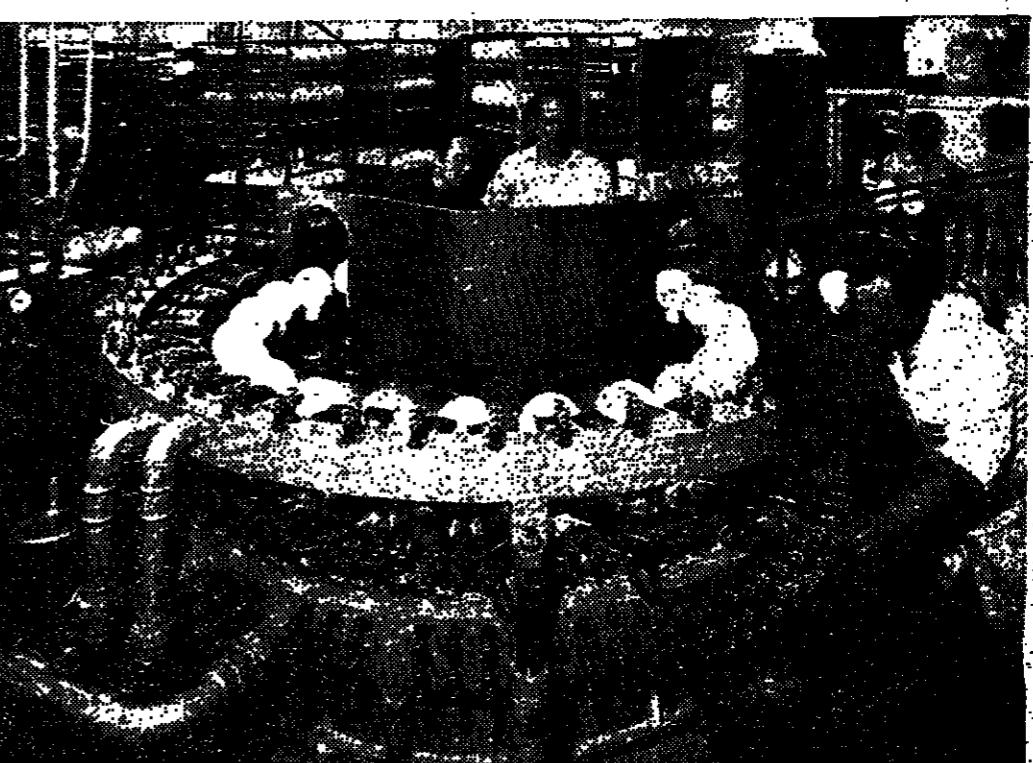
Unit trusts have any drawbacks for the larger investor? One point may be that since they are managed for people with corporate investment objectives, capital growth, overseas, or commodity investments for example, the individual cannot obtain a tailor-made portfolio to meet his own precise objectives.

Nevertheless, unit trusts do provide a first-class service to the larger investor by eliminating many of the investment headaches and paperwork. They also offer an exceptional long-term investment opportunity to achieve investment growth and also beat inflation as is illustrated by the accompanying figures taken over a five-year period ending August 31, 1971.



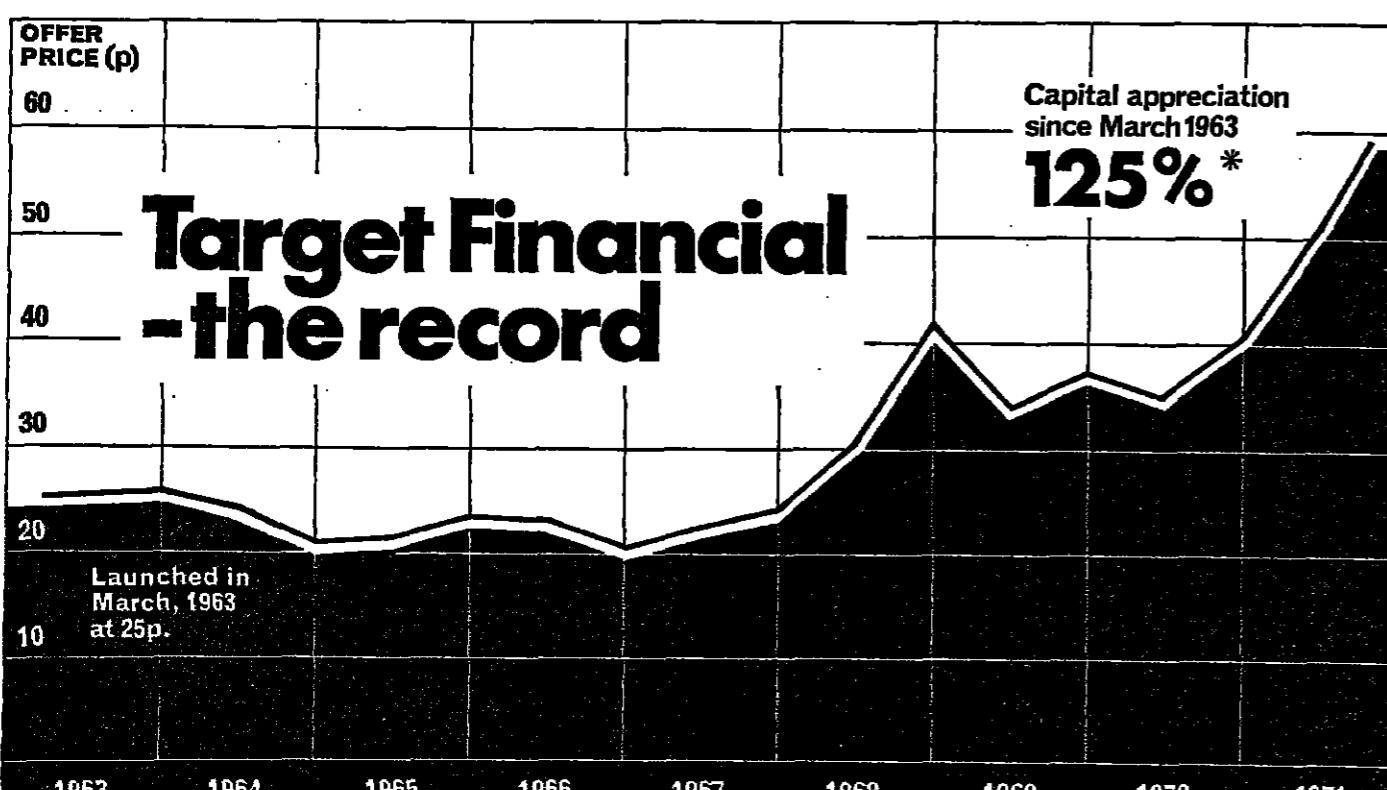
Left

Mr. W. G. Oates of Hill Samuel Unit Trust Managers Ltd.



Below

Specialised tungsten lamps on a circular course of manufacture in Philips Electrical factory at Hamilton, Scotland.



An impressive record, you'll agree. Look at it another way, £100 invested in the Fund when it was launched would now be worth £231.20 (as at 22nd October 1971*). Even investors who bought units at the height of the bull market in February, 1969 are showing a handsome profit!

In fact, Target Financial Fund is the only unit trust which

appeared in Money Management and Unitholder's top twenty for each of the years 1968, 1969, and 1970.

INVESTMENT MANAGERS:

Dawney, Day & Co., Limited

APPLICATIONS and cheques will not be acknowledged but Certificates will be sent within 42 days of the close of the offer.

YOU MAY SELL YOUR UNITS at any time at a price which will not be less than that calculated by Department of Trade and Industry regulations and purchased within 10 days of the receipt of your signed certificate.

PRICES ARE BASED upon the value of the underlying securities. An initial charge of 5% of the amount to be invested is included in the sale price of the units. Out of this charge the Managers will pay commission of one and one-quarter per cent to qualified Agents.

THE TRUSTEE SECURES THE TRUST FUND holding all investments and assets in the name of the Trust. The Trust is constituted by the Trust Deed dated 12th March 1963 which provides for the termination or modification of the Trust in accordance with the terms of the Trust Deed.

It may be inspected at the offices of the Managers, Copies 25p.

TRUSTEE Midland Bank Executive and Trustee Company Limited.

INCOME bears an annual management charge of three-eighths per cent of the value of the Fund will be deducted from the value of the units. Units purchased now will qualify for the distribution on 30th April, 1972.

MANAGERS: Target Trust Managers Limited, 20th Floor, 20 Coleman Street, London EC2R 5AA. Portland House, 73 Basinghall Street, London EC2R 5DD. Tel: 01-429 8620. 9-11 The Hayes, Cardiff CF1 4AB. Tel: 0222 222000. 100 Grosvenor Crescent, Edinburgh, EH3 8HQ. Tel: 011-229 6821.

DIRECTORS: A. P. W. Simon, T.D., F.C.A. M. G. Ebor, M.B.E. (Managing Director); E. B. C. Cloves, M.B.E. (Managing Director); Prince, M.A., F.C.A.; H. M. Sasseen, M.A., C.A.

INCOME bears an annual management charge of three-eighths per cent of the value of the Fund will be deducted from the value of the units. Units purchased now will qualify for the distribution on 30th April, 1972.

MANAGERS: Target Trust Managers Limited, 20th Floor, 20 Coleman Street, London EC2R 5AA. Portland House, 73 Basinghall Street, London EC2R 5DD. Tel: 01-429 8620. 9-11 The Hayes, Cardiff CF1 4AB. Tel: 0222 222000. 100 Grosvenor Crescent, Edinburgh, EH3 8HQ. Tel: 011-229 6821.

DIRECTORS: A. P. W. Simon, T.D., F.C.A. M. G. Ebor, M.B.E. (Managing Director); E. B. C. Cloves, M.B.E. (Managing Director); Prince, M.A., F.C.A.; H. M. Sasseen, M.A., C.A.

INCOME bears an annual management charge of three-eighths per cent of the value of the Fund will be deducted from the value of the units. Units purchased now will qualify for the distribution on 30th April, 1972.

MANAGERS: Target Trust Managers Limited, 20th Floor, 20 Coleman Street, London EC2R 5AA. Portland House, 73 Basinghall Street, London EC2R 5DD. Tel: 01-429 8620. 9-11 The Hayes, Cardiff CF1 4AB. Tel: 0222 222000. 100 Grosvenor Crescent, Edinburgh, EH3 8HQ. Tel: 011-229 6821.

DIRECTORS: A. P. W. Simon, T.D., F.C.A. M. G. Ebor, M.B.E. (Managing Director); E. B. C. Cloves, M.B.E. (Managing Director); Prince, M.A., F.C.A.; H. M. Sasseen, M.A., C.A.

INCOME bears an annual management charge of three-eighths per cent of the value of the Fund will be deducted from the value of the units. Units purchased now will qualify for the distribution on 30th April, 1972.

MANAGERS: Target Trust Managers Limited, 20th Floor, 20 Coleman Street, London EC2R 5AA. Portland House, 73 Basinghall Street, London EC2R 5DD. Tel: 01-429 8620. 9-11 The Hayes, Cardiff CF1 4AB. Tel: 0222 222000. 100 Grosvenor Crescent, Edinburgh, EH3 8HQ. Tel: 011-229 6821.

DIRECTORS: A. P. W. Simon, T.D., F.C.A. M. G. Ebor, M.B.E. (Managing Director); E. B. C. Cloves, M.B.E. (Managing Director); Prince, M.A., F.C.A.; H. M. Sasseen, M.A., C.A.

INCOME bears an annual management charge of three-eighths per cent of the value of the Fund will be deducted from the value of the units. Units purchased now will qualify for the distribution on 30th April, 1972.

MANAGERS: Target Trust Managers Limited, 20th Floor, 20 Coleman Street, London EC2R 5AA. Portland House, 73 Basinghall Street, London EC2R 5DD. Tel: 01-429 8620. 9-11 The Hayes, Cardiff CF1 4AB. Tel: 0222 222000. 100 Grosvenor Crescent, Edinburgh, EH3 8HQ. Tel: 011-229 6821.

DIRECTORS: A. P. W. Simon, T.D., F.C.A. M. G. Ebor, M.B.E. (Managing Director); E. B. C. Cloves, M.B.E. (Managing Director); Prince, M.A., F.C.A.; H. M. Sasseen, M.A., C.A.

INCOME bears an annual management charge of three-eighths per cent of the value of the Fund will be deducted from the value of the units. Units purchased now will qualify for the distribution on 30th April, 1972.

MANAGERS: Target Trust Managers Limited, 20th Floor, 20 Coleman Street, London EC2R 5AA. Portland House, 73 Basinghall Street, London EC2R 5DD. Tel: 01-429 8620. 9-11 The Hayes, Cardiff CF1 4AB. Tel: 0222 222000. 100 Grosvenor Crescent, Edinburgh, EH3 8HQ. Tel: 011-229 6821.

DIRECTORS: A. P. W. Simon, T.D., F.C.A. M. G. Ebor, M.B.E. (Managing Director); E. B. C. Cloves, M.B.E. (Managing Director); Prince, M.A., F.C.A.; H. M. Sasseen, M.A., C.A.

INCOME bears an annual management charge of three-eighths per cent of the value of the Fund will be deducted from the value of the units. Units purchased now will qualify for the distribution on 30th April, 1972.

MANAGERS: Target Trust Managers Limited, 20th Floor, 20 Coleman Street, London EC2R 5AA. Portland House, 73 Basinghall Street, London EC2R 5DD. Tel: 01-429 8620. 9-11 The Hayes, Cardiff CF1 4AB. Tel: 0222 222000. 100 Grosvenor Crescent, Edinburgh, EH3 8HQ. Tel: 011-229 6821.

DIRECTORS: A. P. W. Simon, T.D., F.C.A. M. G. Ebor, M.B.E. (Managing Director); E. B. C. Cloves, M.B.E. (Managing Director); Prince, M.A., F.C.A.; H. M. Sasseen, M.A., C.A.

INCOME bears an annual management charge of three-eighths per cent of the value of the Fund will be deducted from the value of the units. Units purchased now will qualify for the distribution on 30th April, 1972.

MANAGERS: Target Trust Managers Limited, 20th Floor, 20 Coleman Street, London EC2R 5AA. Portland House, 73 Basinghall Street, London EC2R 5DD. Tel: 01-429 8620. 9-11 The Hayes, Cardiff CF1 4AB. Tel: 0222 222000. 100 Grosvenor Crescent, Edinburgh, EH3 8HQ. Tel: 011-229 6821.

DIRECTORS: A. P. W. Simon, T.D., F.C.A. M. G. Ebor, M.B.E. (Managing Director); E. B. C. Cloves, M.B.E. (Managing Director); Prince, M.A., F.C.A.; H. M. Sasseen, M.A., C.A.

INCOME bears an annual management charge of three-eighths per cent of the value of the Fund will be deducted from the value of the units. Units purchased now will qualify for the distribution on 30th April, 1972.

MANAGERS: Target Trust Managers Limited, 20th Floor, 20 Coleman Street, London EC2R 5AA. Portland House, 73 Basinghall Street, London EC2R 5DD. Tel: 01-429 8620. 9-11 The Hayes, Cardiff CF1 4AB. Tel: 0222 222000. 100 Grosvenor Crescent, Edinburgh, EH3 8HQ. Tel: 011-229 6821.

DIRECTORS: A. P. W. Simon, T.D., F.C.A. M. G. Ebor, M.B.E. (Managing Director); E. B. C. Cloves, M.B.E. (Managing Director); Prince, M.A., F.C.A.; H. M. Sasseen, M.A., C.A.

INCOME bears an annual management charge of three-eighths per cent of the value of the Fund will be deducted from the value of the units. Units purchased now will qualify for the distribution on 30th April, 1972.

MANAGERS

UNIT TRUSTS XI

Limited initiatives so far in the company field

By BARRY RILEY

To the question of whether the not passed the unit trust movement, of course, they are quick enough on the uptake. Many unit trusts see themselves as a pressure group exerting an influence on company management to improve standards of business efficiency and conduct the straight answer is no. The men who run unit trusts think of themselves primarily as investors, producing such a performance of their portfolios as they can by the scale and timing of their purchases and sales. On the other hand, an industry as large as this—unit trusts now manage funds of some £1,800m.—can hardly abdicate all responsibility towards the discretionary use of the power which their position necessarily gives them. Thus the trend towards greater institutional initiative in the field of company-shareholder relations has

seem to lag in this direction compared with other types of institution like, say, the pension funds, one answer could lie in the typical managerial set-up of unit trusts. Very often the managers are part of a wider financial grouping involving, perhaps, banking and insurance; this makes it hard to get involved in a delicate or controversial initiative without fears, real or otherwise, of a conflict of interests.

Room to manoeuvre

Moreover the unit trusts would take the line that the remedy for a dull investment is to get rid of it, and most of them are small and manoeuvrable enough to do so (provided, prominent member of the group

of institutions was Hill Samuel, with plenty of other irons in the fire besides S and P, was a Press affair, but after more than two years there is still little sign for this to be ranked as a unit of shareholders getting their trust intervention.

Hill Samuel, after all, runs unit trusts with funds of over £50m. Yet there are too many other factors involved to count this as a straightforward unit trust initiative—though clearly any Vickers shares held in the unit trust portfolios made the position of HS that much more powerful.

Rescue operation

Perhaps the best-documented example of the tougher attitude by the Pru is the Vickers affair—the move in conjunction with other big institutions to shake up the management at the ailing engineering group. That approach last year succeeded in bringing about changes at Vickers, though it has done nothing so far for the share Holdings afloat. The Pru and Fleming put up £1.25m. between them, but here again the latter,

with the merchant bankers, does not introduce a unit trust connection.

Hill Samuel, after all, runs unit trusts with funds of over £50m. Yet there are too many

other factors involved to count this as a straightforward unit trust initiative—though clearly any Vickers shares held in the unit trust portfolios made the position of HS that much more powerful.

However, one recent instance of a unit trust group deciding to take a public stand in a management situation was the battle at the S and K Holdings annual meeting last July when the M and G group led opposition to the Board's plan to change the company's auditors. The Board easily won the day, but despite what it knew beforehand was almost certain defeat M and G decided to speak up over what it saw as a matter of principle.

The drawback to speaking up, however, is that there can be murmurings in the market of the "sell out or shut up" variety: there has been a certain amount of comment about M and G's decision to hold on to the S and K shares after it was outvoted.

On performance grounds, however, M and G is certainly justified—the shares have moved up fast in recent months. In cases where a company's quotation is suspended, of course, the option is no longer there. Here the unit trusts, among other institutions, have to organise themselves—together, it may be, with ginger groups of private shareholders—if they think their interests are not being properly recognised. This is what happened with Blanes, whose quotation was suspended a year ago; proposals by the Board to put the group into voluntary liquidation followed.

The payout to Blanes' shareholders from liquidation would have been tiny, so institutional holders moved into action: they included unit trusts groups like Tyndall (whose funds are managed by Warburgs) and, once again, M and G. After a lengthy

extraordinary meeting in April, the institutions nominated new directors to replace the old Board, which resigned in its entirety.

Such spectacular cases are naturally rare, but behind the scenes pressure when a company goes seriously off the rails is probably quite common. Needless to say there has been great

John G. L. S.
Tyndall make
it 3 times
safer
to invest
for growth

And you can choose
6% tax-free income

How can you get enough growth for your money to beat inflation, together with real safety? Tyndall have the answer in their new 3-way Fund. It spreads your money over 3 different kinds of investment—equities, property and fixed interest securities. So it provides for greater safety than any one kind of investment can offer.

Tyndall 3-way Fund invests in three separate Funds: Tyndall Equity Fund, a spread of shares in carefully chosen companies; Tyndall Property Fund, a portfolio of first class commercial properties and Tyndall Bond Fund, which is in gilts and other fixed interest securities.

As investment conditions change, the proportion of the three Funds held will be varied to achieve maximum growth within these 3 types of investment. Each of the Funds has separate expert management so you benefit from double banked investment skill, but there are no double charges.

The Tyndall 3-way Fund is a life assurance fund, so it reinvests income and offers tax advantages, especially to surtax payers. Lump sum investment is in the form of a single premium policy. There is no age limit.

If you need a cash income, you can choose the optional withdrawal plan to give 6% a year of the value of your holding free of income tax and capital gains tax. The payments are made half yearly.

The minimum lump sum investment is £1,500 or you can invest by yearly or monthly payments from £10 with a unit tax relief. The Fund opened on March 10th with units priced at 100p. At the October 13th Valuation Day, the value of the units was 116.00p.

Use the coupon to bring you a booklet giving full details.

Tyndall 3-way Fund

Tyndall Assurance Ltd, 18 Canyngate Rd, Bristol BS9 7UA.
Please send me the booklet on Tyndall 3-way Fund.

Name _____

Address _____

ST 952

International money via the Euromarkets

By WILLIAM F. LOW

EVER SINCE the Eurodollar Bank for International Settlements (BIS) emerged during the latter half of the 1960s as the which were borrowed by companies, eventually were sold back to the central banks, some there would be moves to control it. Central bankers and politicians engaged in the fight against rising inflation often found it convenient to blame the Eurodollar as the main source of their troubles. Regulate the "Frankenstein Monster," so the argument ran, and the problems would disappear.

Opponents of the "freeze of large measure of control imposed by national Governments sized their opportunity during for several years. The authorities of last May, when huge inflows of "hot" money—most instructed, from time to time, if it channelled through the local banks to limit their Eurodollar market forced the dollar holdings and have also allowed the Market to float. Shortly afterwards, the major central example of the latter form of banks decided not to make regulation is the Bank of England decision at the beginning of this year whereby companies were forbidden to borrow Eurodollars for domestic use for periods of less than five years.

Despite the variety of restrictions already applied to the Eurodollar sector, strong pressure is still being exerted to introduce more controls. The aim of these "anti-Eurodollar" bankers and politicians appears to be the establishment of a central authority to regulate their surplus dollars in the Eurodollar market through the market. Quite apart from the fact that as one

the immense difficulties involved in co-ordinating the often-conflicting policies of different countries, there are other sound reasons why supranational control is not welcomed.

Another voice to be raised against indiscriminate supervision is that of Dr. Fritz Machlup, of Princeton University. Regulation of the Eurodollar market he warned, could lead to "terrible blunders."

In view of the benefits that the Eurodollar market has produced, the world would lose if "vague fears" of undefined dangers resulted in "clumsy regulations" that again would carve up the world into "bureaucratically controlled fiefdoms" without free access to an efficient system of distributing capital funds from everywhere to everywhere. Dr. Machlup forecast. This is an argument which commands strong support in pro-Eurodollar circles.

Another and, perhaps, more valid reason for seeking tighter supervision of the Eurodollar market is the danger of a default by a borrower. The Financial Times Euro-market Letter has estimated that as much as \$10,000m. was raised for periods of between two and seven years last year, and there is every indication that this year's total will be about the same.

Syndicated basis

Most of these medium-term Eurodollar loans are arranged on a syndicated basis. This means that a bank or group of banks will form a syndicate of as many as 50 banks to put up the sum required by the borrower: the size of these credits varies between \$20m. and \$300m., with \$100m. fairly common. The banks involved should, of course, satisfy themselves that the borrower will be able to repay the principal and interest on the appointed dates.

Some commercial bankers, however, have expressed fears that lending practices in the medium-term sector are not as sound as they should be.

Earlier this year, John Place, then vice chairman of Chase Manhattan Bank, criticised in forthright terms the growth of a number of questionable lending practices in the Eurodollar market. Among the points he made was one concerning the "significantly" different policy being adopted by American banks to their Eurodollar portfolios, compared with their domestic lending activities. Because a transaction was denominated in Eurodollars, Place maintained, some bankers would extend terms they would not at home unless there were proper covenants.

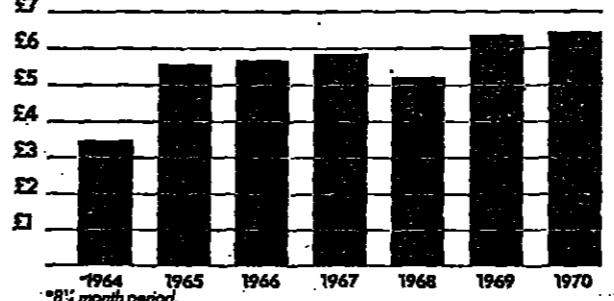
Some bankers have suggested that the leading banks involved in the Eurodollar market should set up their own control body, rather than have governments force supervision upon them. Self-control, it is argued, would be more effective than a committee of bureaucrats tying-up the market in red tape.

Whether bankers like it or not the Eurodollar market is certain to come under increased scrutiny from interested parties. Instead of merely protesting, Eurodollar bankers should start taking steps to ensure that the would-be controllers do not find excuses to justify their action.

EBOR GENERAL FUND HAS IT BOTH WAYS:

INCOME GROWTH

Gross Income Distributions per £100 invested on 23 March 1964.



A remarkable record. As the table above shows, Ebor General Fund has increased its income distributions in every year except one since it was launched in 1964.

You might think this left little scope for capital growth. But the fact is, on capital growth, this "balanced" fund has out-performed many outright "growth" unit trusts. The offer price on 25 October 1971 had risen by no less than 114% since the fund was launched.

This is more than twice the rise in the cost of living (47%) over the same period.

Remember the price of units and the income from them can go down as well as up.

You should view an investment in Ebor General Fund as long term. From this viewpoint, original unitholders who chose to have income reinvested would have had on 25 October 1971 £246 for every £100 originally invested. Estimated gross starting yield on 25 October 1971 was 5.88% p.a.

CAPITAL GROWTH

Unit offer price
since the fund
was launched in 1964

UP 114%

Consistency of performance. Ebor General has always been among the top-performing middle-of-the-road trusts. In the current *Times* analysis of 99 funds in this category it is in fact top over the latest 3-year period. With 49% growth this year, it is also the only unit trust of its kind to be featured in the *Investors Chronicle* top-ten tables over the past 1, 2, 3 and 5-year periods. (*Investors Chronicle* Unit Trust Review 15 October 1971.)

The aim of the Trust is to achieve an above-average income together with reasonable capital growth by investment in equities.

TWO WAYS TO PURCHASE UNITS

Single-payment investment. Send the coupon and we will forward the complete Trust Portfolio and Application Form. Regular monthly payments. You can take out a fully-guaranteed Ebor Acorn Plan linked to Ebor General and secure substantial tax relief and life assurance benefits. Tick box in coupon for details.

To: Ebor Securities Ltd,
32/32 King St, London EC2P 2LA
Tel: 01-551 0092

I am interested in single-payment investment
I am interested in regular monthly payments

Name _____ (Block capitals, please) (Mr/Mrs/Miss/Title)

Address _____

Ebor Securities is a member of the
Association of Unit Trust Managers.

E/111/08E

£120,000,000
PER ANNUM

THIS IS THE SUM CURRENTLY BEING INVESTED IN PROPERTY BONDS

THIS IS WHY YOU SHOULD CHOOSE

WELFARE LIFE PROPERTY BONDS

- 1 A well established fund of excellent Properties
- 2 100% of your money is invested in the fund—there are no initial charges
- 3 5%, 6% or 7% Tax-Free income may be withdrawn
- 4 High and Guaranteed Life Assurance

Send off the coupon now for a free descriptive brochure.

WELFARE INSURANCE COMPANY LIMITED
35/37 Cannon Street, London EC4 Tel: 01-238 0781

Please send me details of the Welfare Life Property Bond Fund.

NAME _____

ADDRESS _____

(Block Caps, Please)

01-836 5444

EBOR General Fund

A £20m. market on the ski slopes

Arthur Sandles looks into the burgeoning winter sports holiday business

IT IS ONLY during the past five years or so that winter sports rooms in a resort," says one the après-ski. Mr. Harry Steinke, operator, "and I find that I can formerly of Lunn Poly and now only have 10 rooms in one hotel, at Horizon, says: "After they half a dozen in another and so have spent the day skiing there. I get my rooms, but they are still seven or eight hours because all over the place. It makes for them to go to bed. We have to administration very expensive," cater for those hours."

For that reason the big tour operators have been cautious in their efforts to take the market away from the specialist houses. Clarksons is a relatively new entrant. Horizon is having its first attempt this year, and Cosmos says it will be going into the business "not before 1973, and then only when we find the right man to run it for us." These three are all in the top five. Thomson Skytours has yet to show any inclination to venture into the icy world of winter sports, and Sunair (Cimarron/Trafalgar) has only come into it through the purchase of Lunn Poly.

It is difficult to judge just how many people from the U.K. go skiing. Although some estimates put the figure as high as 350,000, this is difficult to justify. At the moment the market is probably around 250,000. According to a Swans (Diners Club) survey of customers last year, at least 16 per cent of these are in no way interested in outdoor sport.

To this was added the fact that a high proportion of the remainder put the first attraction of winter snow holidays as the break and "getting away from it all." It is for this reason that the modern sports brochure operators to move in on places little emphasis on the ski margins tend to be slim and the itself. Clarksons and Ingwork complicated. Austrian hams and Ski Plan have maps hotels—and Austria has the skiers in the various cornered the winter market in resorts, but these are unmuch the same way as Spain graded. Horizon has a table of has grabbed the summer pack-easy, medium or expert runs but age tour businesses are not keen to maps, as does Swans. to enter into block booking deals. The real emphasis of the mod- with anyone. "I try to get 100 ern winter sports holiday is on

This is where the expense of the tour operators begins to mount. Swans offers "Ski'n Fun holidays." The Court Line subsidiary Murison Small, which is now trading under the name of Halcyon Skiing, offers cordon blue cooking in chalets by delectable "Muribirds." Lunn Poly offers nightly entertainment from bowling to fondue parties and floodlit toboggan races.

In fact the queues at some of the lifts in the more popular resorts, particularly at Christmas, week-ends, and at Easter, might take a little of the fun out of things. But the thought is there.

Impact

The big cloud hanging over the winter sports business at the moment is the very real impact of "winter sunshine" holidays. For a long time if someone wanted to take a winter holiday and could not afford a long-haul trip to the Caribbean or South Africa, the obvious destination was the Alps. During the past couple of years this has not been the case. Now the tour operators' pressure of winter sports does not compare with sunshine holidays (it does not extend to winter sports holidays) the traffic to Majorca and carried its first 500 passengers to the Costa Brava between October and May has substantially increased. The tourist today has a choice between the fully 22,000. Straight comparisons at Mayrhofen, with Arenal and the slopes are difficult since all operators start travelling independently.

Swans, for example, aims at a much lower-priced market than Ingwork, a Swiss-owned company with a name closely identified with specialisation in winter holidays. At the same time many operators, like Erna Low and Ski Plan, carry large numbers of school parties, which is low mark-up, high-turnover traffic in which the operator has an eye not only on immediate returns but also on future business when the kids start travelling independently.

Hardly anyone in the business would be prepared to give a turnover league table, but the top ten definitely includes Ski Plan, Inghams, Swans, Clarksons, Erna Low and Lunn Poly. It is a brave man who names the champion.

Even in this list there are probably only two or three who carry more than 20,000 winter sporting clients a year and thus have a skiing turnover of around £1m. The investment to reach this figure is considerable. Erna Low, Ski Plan and Inghams all run to brochures as glossy as any summer offering, with a packed 80 pages than can hardly have cost less than £5 each to produce. The big-leaguers tend to aim for a narrower target, with a strong emphasis on Austrian resorts and smaller (but no less glossy) brochures—Clarksons 56 pages, Swans 38, Halcyon 58, Lunn Poly 48.

With these and other operators like Cooks, BEA (via Sovereign Holidays) and the GUS subsidiary Global battening hard to build up their own traffic, it is not surprising that business is increasing, albeit now at a steady and unspectacular pace. At the same time, interest in ancillary activities like the provision of clothing and equipment is building up. Last week saw the Austrians in the U.K. in force, pushing their sales of skis, boots and clothing in a series of in-store link-ups. The Austrians, thanks to the enormous home market, have largely buttoned up the international ski equipment business.

They have been only marginally less effective in clothing, where the competition has been stronger—only one British manufacturer, Harris-Meyer, has rooms in the winter—but the summer provided we can have really bitten deep into Continental domination of the long.

At the moment, inflation in Austria is forcing many to come in. Already the major stores like Lillywhites, Simons, Moss Bros. and Harrods turn over large areas to winter sports wear and equipment, but even while doing so they have lost much of the new market to Pindisports, a family-owned operation which long ago saw the market for medium-priced ski-wear and must-to-day kit out half the British skiers on the Alpine slopes.

While the snow-gear business grows—fashion is a great boost

—so does the snow training business. There are now at least 28 dry-ski slopes of consequence in Britain, by far the largest of which is the massive Hillend complex at Edinburgh which has a main run nearly 1,100 feet long and 50 feet wide. The spin-off from these slopes is, of course, additional custom for the operators.

Tradition

But as demand builds up, what of supply? There is little doubt that Austria will have to be careful if it is to retain its pre-eminent position. Many of the more popular Austrian resorts are now very crowded and some U.K. operators are growing irritated by the attitudes of Austrian hoteliers who know they are in a seller's market. Even the old tradition that only the British ski in January is being shaken slightly by an increasing inclination for the Germans to do the same. The big British operators are countering to some extent by indulging in year-round hotel reservations—

"We'll sell your hotel in the summer provided we can have the winter."—but the negotiations tend to be hard and must yearn for a little sunshine.

Expensive

Watching on the sidelines are the French and the Spanish. The French have never, up to now, been involved in the package tour ski market, and have long been regarded as expensive. Now, however, French resorts are popping up in the brochures. In the past couple of years there have been a number of speculative resorts constructed in France such as Flaine and Le Corbier, all of which are keen for U.K. package tourists.

The same can be said of the Spanish resorts, notably Formigal and the Sierra Nevada, where the mountain hoteliers are eager to repeat the success of their seaside resort colleagues in attracting the British in droves.

All in all the future seems quite bright for skiing, but the problems involved in transportation, accommodation, the arranging of evening entertainment and the provision of equipment for hire make it a complex and not always profitable operation for the organiser.

There are constant rumours, constantly denied, that the big operators will pull out and leave it to the Inghams, Erna Low and Ski-Plans of this world. For the moment it seems unlikely, but the pressure on prices and the fight for beds in Austria is likely to make the going difficult over the next couple of years. There are times when the most ardent winter sports operator must yearn for a little sunshine.

Ski-trains

The ski-trains could well be a feature of the past. Europe's railways this year presented their bills for charter trains to the tour operators at rates which made it generally more convenient to use aircraft. The as 350,000, this is difficult to justify.

At the moment the market is probably around 250,000. According to a Swans (Diners Club) survey of customers last year, at least 16 per cent of these are in no way interested in outdoor sport.

To this was added the fact that a high proportion of the remainder put the first attraction of winter snow holidays as the break and "getting away from it all." It is for this reason that the modern sports brochure operators to move in on places little emphasis on the ski margins tend to be slim and the itself. Clarksons and Ingwork complicated. Austrian hams and Ski Plan have maps hotels—and Austria has the skiers in the various cornered the winter market in resorts, but these are unmuch the same way as Spain graded. Horizon has a table of has grabbed the summer pack-easy, medium or expert runs but age tour businesses are not keen to maps, as does Swans. to enter into block booking deals. The real emphasis of the mod- with anyone. "I try to get 100 ern winter sports holiday is on

Labour News

Miners' ban may cut output up to 20%

BY ROY ROGERS, LABOUR STAFF

COAL production is likely to pages are more likely—the steel be cut by between 15 and 20 per cent from to-day as first hit. It is understood to have an overtime ban in support of their claim for pay increases of up to 47 per cent.

However, with coal stocks standing at more than 33m. tons it will take many weeks for the effects of the ban to be felt by either commercial or domestic coal users.

Reserve

Two weeks ago the National Coal Board's major customers held some 23.2m. tons of coal while the NCB held a further 10.4m. tons in reserve; weekly production is currently running at about 2.8m. tons.

Stocks were 26.8m. a year ago when more than 100,000 NUM members took unofficial strike action in support of a pay claim after failing to achieve the required two-thirds majority for an official stoppage. A ballot showed 55½ per cent in favour of strike action.

The NUM executive feels it may have to take strike action this year, and is to ballot members later this month asking them whether they approve if the executive thinks it necessary. A similar poll to last year's would leave the way clear for official strike action—since the NUM's annual conference earlier this year reduced from two-thirds to 55 per cent the required majority.

In the unlikely event of a national strike regional stoppages are designed to peg down pay increases.

Jobless: "Cut overtime"

BY ALEX HENDRY, LABOUR REPORTER

BLACKPOOL, Oct. 31. UNION LEADERS promised here to-day to consider a shop floor demand that they should operate an overtime work permit scheme in areas of high unemployment.

Mr. Bill Wright, a delegate to the Electrical and Plumbing Trades Union conference, said: "We cannot tolerate the situation whereby some men are thrown on to the dole queue whilst others of our members are permitted willy-nilly to work around the clock."

His demand for control of overtime working is in line with that being promoted by other trade union groups who have become increasingly anxious about high unemployment.

But he agreed to recall his motion when Mr. Jim McKersie, an EPTU executive member, said the union's leaders were already discussing the possibility of getting employers to agree to an EPTU policy towards the Industrial Relations Act was overruled.

The conference also set out proposed by the executive and two conditions—Government heavily defeated by ballot.

Heathrow jobs fears

CLAIMS by some shop stewards force between Iberia Spanish Airlines and General Aviation Services, a Canadian ground handling company. There will be calls for a 24-hour strike.

However, recent efforts by Heathrow shop stewards to call strike action over the GAS issue have found little support from a protest meeting for to-day when the contract comes into force.

DTI aerospace study to take a wider view

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE study now being carried out inside the Department of Trade and Industry into the future of the aerospace industry is of a wider nature than has been supposed.

One of its main aims is to look at the possibilities of U.K. aerospace companies either merging with each other or with companies on the Continent, to provide stronger units.

Existence of the study, which is being carried out under Sir Robert Marshall, Secretary (Industry), was first revealed some weeks ago.

It is basically aimed at the organisational aspects of the industry, and is not primarily engaged in determining what kind of projects the industry ought to undertake over the next decade—although it will not ignore these, since much of the industry's future shape is likely to be determined by the kind of aircraft it builds and vice versa.

It is known, however, that not only the Society of British Aerospace Companies but also individual companies and leaders of the industry have put in evidence and memoranda for the Departmental study.

Significant

Because the study is internal, it is not expected to be published in full after it is presented to the present state of both international law and the varying nature of ownership of Continental aerospace companies—some are nationalised, others not.

Guidelines

Accordingly, the development of major international aerospace companies is seen as a long-term matter. For the immediate future, the question to be answered is the more direct one of whether any kind of merger at home would solve any of the industry's problems, or worsen them.

Whatever the conclusions of Sir Robert Marshall's study, they will serve only as guidelines for the Government in framing its future aerospace policy. Many other factors will have to be taken into account also—for example, the success or otherwise of the existing collaborative programmes, such as Concorde and the Multi-Role Combat Aircraft.

But what the study is primarily

Iran discusses dollar losses with oil group

BY OUR OWN CORRESPONDENT

TEHRAN, Oct. 31. IRAN and the Western consortium of Iranian Oil Participants (IOP) began exploratory talks at the weekend on compensation to be made for losses incurred by the August 15 de facto devaluation of the U.S. dollar. They are to meet again on November 8 for further discussions.

The six-man Consortium team, led by Mr. George Piercy, of Standard Oil of New Jersey, Texaco's Mr. Al de Vane, Mr. Jack Simons of Atlantic Richfield and BP's Mr. John Sutcliffe, left Tehran late last night after three hours of talks with Mr. Jamshid Amouzegar, Finance Minister, and the two-man Iranian team.

Higher prices

A source close to the Western companies described yesterday's talks as "purely exploratory, free-ranging and relaxed discussions." He said no definite proposals had been made, and the confrontations, if any, would come only after the international monetary situation had been settled.

Iran's dollar losses since August are officially estimated at \$40m. (£16.06m.). This comes just eight months after the figure believed to have the OPEC victory in Tehran been discussed at the weekend and Tripoli which substantially increased oil revenues.

Channel ferries halted again

BRITISH RAIL cross-Channel ferries were halted again yesterday after a walk-off by seamen involved in a manning dispute.

French services were also stopped because of a strike by ships' officers.

Only hovercraft services, the Townsend-Thoreson car ferries and the Belgian ferry services on the Dover-Ostend route were functioning.

Passengers were being advised to contact the BR Continental Inquiry office at Victoria Station, London, before going to a Channel port.

Trouble started when the Shepperton Ferry was taken out of service on Saturday. Twelve on other BR ferries walked off.

About 450 seamen are employed by BR on the ferries.

There were no real problems at Dover yesterday despite the strike and the French ships are due to return to service to-day.

Worst hit service was the Dover-Dunkirk train ferry-route where all six week-end sailings were cancelled.

The union advised its 130 men operating the three-shift system

on the Shepperton Ferry not to re-sign their articles when they expired. Immediately Shepperton was taken out of service, crews on other BR ferries walked off.

On October 20, the ferries were

re-activated by the strike and the French ships are due to return to service to-day.

Worst hit service was the Dover-Dunkirk train ferry-route where all six week-end sailings were cancelled.

Keep things flowing smoothly

ISSUE NEWS AND COMMENT

HTV seeking quotation

Henry Anshacher and Co. in association with Julian S. Hodges and Co. is arranging an introduction to the London and the Midlands and Western Stock Exchanges of the 4,088m. non-voting Ordinary 25p shares of HTV (formerly Harlech Television).

The company has been operating the independent television contract for the West of England and Wales since 1968. The programme contract with the Independent Television Authority runs until July 29, 1974; however the ITA has announced that it proposes to end all existing programme contractors as extension until July 29, 1974, subject to continuing adequate performance by the individual programme contractors. Possible adjustments in contract areas and a possible rental change in 1974.

The company has re-equipped its Bristol studios for colour production and is currently re-equipping its Cardiff studios so that by mid-1972 almost all the programmes produced by the company will be colour. Each week the company provides about 83 hours of programmes, of which some 55 hours are production of its British-made and 28 hours of its Cardiff studios including 6 hours in the Welsh language.

In the year to the end of July, 1971, pre-tax profits increased from £383,000 to £1.16m., helped by a reduction in the Exchequer Levy and increased levels of advertising. Though the directors expect that advertising revenue will be higher in the current year, they are not yet able to forecast the amount of this increase. The Board is therefore not prepared to forecast profits for 1971-72, which they expect to be lower than in the year ended July 31, 1971.

However, the directors intend to pay dividends totalling not less than 20 per cent. for the year. Brokers to the introduction are Panmure Gordon and Co. in London, B. of Stock and Co. in Bristol, and Lydgate and Co. in Cardiff. Dealings are expected to start next Friday, November 5.

Particulars Pages 30 and 31.

See Lex.

Grand Met. loan offer

Lists open on Thursday, November 4, for the offer for sale by S. G. Warburg and Co. of £20m. 8½ per cent unsecured Loan stock 1978-90 in Grand Metropolitan.

The stock is payable as to 100 per cent. on application, £40 per cent. on January 14, 1972, and the balance on March 29. The first interest payment of £3.20 per cent. will be due on June 30, 1972, while a final payment of 100 per cent. of £2.12m. will be due on September 30, 1973, thereafter interest will be payable in equal half-yearly instalments. Flat and final yields at the offer price are 8.58 per cent. and 8.76 per cent. respectively.

Application made by persons holding any share or loan capital, on October 11, will receive preferential consideration in respect of up to 50 per cent. of the issue.

Proceeds, estimated at £19.27m. will be used to reduce the bank overdraft.

Brokers are Panmure Gordon and Co.

Prospectus Pages 32 and 33.

See Lex.

Mitchell Construction

Samuel Montagu and Co. has completed arrangements for a placing of £1m. 9½ per cent. Debenture Stock 1989-96 in Mitchell Construction Holdings at 99 per cent.

The stock is payable as to 25 per cent. on application with a first step up to 50 per cent. on April 14, 1972, and the final yield is 9.956 per cent. and 9.806 per cent. respectively. Asset cover is three times and interest cover is 11.7 times.

Proceeds, estimated at £963,000, will be applied in reducing bank borrowings.

Brokers are Vickers da Costa and Co.

• comment

As a small issue Mitchell Construction could meet with a little resistance. Gilt has been edging downwards of late while for the debenture market demand appears to have eased off and there is now more stock off the market than in the last few months. Fodens are more than a point higher than 704 (against a high of 714) where the yield is about 9½ per cent. So for Mitchell initial dealings much above par seem unlikely.

See this Page

COMPANY NEWS

Raybeck confident of future growth

ALTHOUGH the period of seven years since Raybeck was floated has seen "dramatic" increases in profits, chairman Mr. B. Raven feels certain that the opportunities for growth will be even greater.

"I can only see your company going forward from strength to strength," he tells members. The group now has 229 retail outlets, including the shops within shops operated by Berkerex, and it is the Board's intention to continue its policy of broadening the base of Raybeck's activities and diversifying within the clothing industry.

In the current year the retail companies will contribute very nearly 50 per cent. of the Group's profit, the chairman predicts.

The Bobby Cousins group of boutiques which caters for teenagers and young women, is trading successfully and is now ready for further expansion. The directors are actively considering a number of new sites.

At the moment the Board is reviewing the operations of some of the smaller manufacturing companies within the group with a view to ascertaining the extent to which they can be integrated with the larger manufacturing units.

The group has recently made a first step into menswear retailing with the acquisition of Faith Bros. Its shops, which include "Lord John," are all situated in and around London. "Tremendous" opportunities exist in this field and it is the Board's intention to build a substantial chain of men's wear shops.

As reported on September 25, group profit, before tax, for the year ended April 30, 1971, advanced from £1.31m. to £1.44m., the total dividend is effectively raised from 32½ per cent. to 35 per cent., and a one-for-five scrip is proposed.

Meeting, Savoy Hotel, W.C. December 6, noon.

Foreign and Colonial profit up

CHAIRMAN of Judge International, Mr. L. Ressler, expects that the current year will see a further expansion and profits from the Housewares companies.

He sees the Housewares companies becoming stronger and achieving an even greater share of the market in trading conditions which are still not too favourable.

As reported on October 23, group profit, before tax, for the year ended June 26, 1971, improved slightly from £209,722 to £218,597 with the dividend held at 13 per cent.

Total sales of the Housewares companies rose 29 per cent. to £1.15m. and trading profit was also up by 29 per cent. at £367,000.

This trend is continuing, the chairman states, and involved sales of the 12 weeks to September 18 were up by 21 per cent. over the corresponding period. The intake of orders is up 20 per cent. and there is a substantial order backlog.

During the year Coral Plastics had a large increase in sales, but profits were not as large as expected. However, budgets for 1971-72 indicate an acceptable increase in profits with only a small increase in sales volume. Order intake and order book for the opening of the current year are ahead of last year.

Meeting, Birmingham, November 24 at 11 a.m.

HIGHLIGHTS

An equity introduction for Harlech Television and Grand Metropolitan Hotels' offer for sale in £20m. Unsecured Loan are discussed by Lex (both prospectuses are published this morning). This week sees annual profits from J. Hepworth and a half-timer from Reed International (both to-day) while tomorrow we have prelims from Brooke Bond Liebig and Smiths Industries and an interim from De La Rue. But the market must wait until Thursday for the week's major result —namely the third-quarter profits from Royal Dutch/Shell.

DIVIDENDS ANNOUNCED

	Corre-	Total	Total
	Current	Date of spending for	last
	payment	payment	year
	%	%	%
Explosives and Chemical	Ord. 18p	— 2.175p	3p 2.175p
Explosives and Chemical	Dfd. 1.2143p	— 0.171p	1.2143p. 0.719p
Rubislaw Investment	16½	Dec 23 16 25	23

*Equivalent after allowing for scrip issue. †Amount per share. (A) Tax free. (B) On capital increased by rights and/or acquisition issues.

operates 42 radiator repair and reconditioning depots throughout the U.K.

Further expansion for Judge

CHAIRMAN of Judge International, Mr. L. Ressler, expects that the current year will see a further expansion and profits from the Housewares companies.

He sees the Housewares companies becoming stronger and achieving an even greater share of the market in trading conditions which are still not too favourable.

As reported on October 23, group profit, before tax, for the year ended June 26, 1971, improved slightly from £209,722 to £218,597 with the dividend held at 13 per cent.

Total sales of the Housewares companies rose 29 per cent. to £1.15m. and trading profit was also up by 29 per cent. at £367,000.

This trend is continuing, the chairman states, and involved sales of the 12 weeks to September 18 were up by 21 per cent. over the corresponding period. The intake of orders is up 20 per cent. and there is a substantial order backlog.

During the year Coral Plastics had a large increase in sales, but profits were not as large as expected. However, budgets for 1971-72 indicate an acceptable increase in profits with only a small increase in sales volume. Order intake and order book for the opening of the current year are ahead of last year.

Meeting, Birmingham, November 24 at 11 a.m.

ACW raises interim

ACW, makers of bottle closures, etc., is raising its interim dividend from the equivalent of 24 per cent. to 34 per cent. for the year to January 31, 1972. The 1970-71 total was equal to 84 per cent. from the six months to July 31, 1971, profit was £22,402, against £22,560 the balance available for distribution came to £47,151 (50.92%).

For the previous year, gross revenue was £1,364,357, and net profit £852,783.

At September 30, 1971, valuation of investments was £34,005,142 (£38,153,624 at March 31, 1971).

Net asset value per share was 168½p (137½p at September 30, 1970).

As reported on September 20, 1971, a second interim dividend of 12½p has been declared, making 3.625p for the current year. The first interim was paid in lieu of a final dividend for the year ended March 31, 1971 (£5.25). The first interim for that year was 125p.

ACW, makers of bottle closures, etc., is raising its interim dividend from the equivalent of 24 per cent. to 34 per cent. for the year to January 31, 1972. The 1970-71 total was equal to 84 per cent. from the six months to July 31, 1971, profit was £22,402, against £22,560 the balance available for distribution came to £47,151 (50.92%).

During the year Coral Plastics had a large increase in sales, but profits were not as large as expected. However, budgets for 1971-72 indicate an acceptable increase in profits with only a small increase in sales volume. Order intake and order book for the opening of the current year are ahead of last year.

Meeting, Birmingham, November 24 at 11 a.m.

Benfield & Loxley expansion

Benfield and Loxley, building contractors, forecasts a profit of not less than £45,000 for the year to February 29, 1972, against £22,458, and a substantial expansion in the not too distant future.

There is no interim dividend but a forecast of 5 per cent. (3 per cent. equivalent) for the year is reiterated.

Meeting, Birmingham, November 24 at 11 a.m.

RESULTS AND ACCOUNTS IN BRIEF

ATLAS ELECTRIC AND GENERAL TRUST, as known, interim dividend 3½p (25p) to reflect the increase in the price of shares.

Franked income half-year to September 30, 1971, £105,204 (£597,269 unfranked £81,472 (£1,177)). Underwriting costs £11,306.

Franked interest £14,776 (£1,177) making £133,780. To management £13,125,161.

To shareholders £1,049,161 (£1,049,161). Net revenue £201,973 (£200,438).

Preference dividends £10,000 (same).

In term Ordinary £100,000 (£100,000).

Capital reserves £1,124,687 (£1,124,687).

Capital losses £1,123,000 (£1,123,000).

Capital gains £1,123,000 (£1,123,000).

Capital reserves £1,123,000 (£1,123,000).

Capital losses £1,123,000 (£1,123,000).

Capital gains £1,123,000 (£1,123,000).

Capital reserves £1,123,000 (£1,123,000).

Capital losses £1,123,000 (£1,123,000).

Capital gains £1,123,000 (£1,123,000).

Capital reserves £1,123,000 (£1,123,000).

Capital losses £1,123,000 (£1,123,000).

Capital gains £1,123,000 (£1,123,000).

Capital reserves £1,123,000 (£1,123,000).

Capital losses £1,123,000 (£1,123,000).

Capital gains £1,123,000 (£1,123,000).

Capital reserves £1,123,000 (£1,123,000).

Capital losses £1,123,000 (£1,123,000).

Capital gains £1,123,000 (£1,123,000).

Capital reserves £1,123,000 (£1,123,000).

Capital losses £1,123,000 (£1,123,000).

Capital gains £1,123,000 (£1,123,000).

Capital reserves £1,123,000 (£1,123,000).

Capital losses £1,123,000 (£1,123,000).

Capital gains £1,123,000 (£1,123,000).

Capital reserves £1,123,000 (£1,123,000).

Capital losses £1,123,000 (£1,123,000).

Capital gains £1,123,000 (£1,123,000).

Capital reserves £1,123,000 (£1,123,000).

Capital losses £1,123,000 (£1,123,000).

Capital gains £1,123,000 (£1,123,000).

Capital reserves £1,123,000 (£1

Pending dividends timetable

For the convenience of readers, the dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements, except where the forthcoming Board meetings (indicated thus) have not been officially published. It should be emphasised that the dividends to be declared will not necessarily be at the amounts or rates per cent. shown in the column headed "Announcement last year". Preliminary profit figures usually accompany final dividend announcements.

160

Under a joint venture

with the U.S. Group which

in the number of Agnew

in which a joint venture

with the U.S. Group which

in the U.S. Group which

This Advertisement, which is published in connection with the introduction to The Stock Exchange, London and The Midlands and Western Stock Exchange of the whole of the issued Non-Voting Ordinary Share capital of HTV Limited ("the Company"), is not an invitation to any person to subscribe for or purchase any shares.

This Advertisement is issued in compliance with the Regulations of the Councils of The Stock Exchange, London and The Midlands and Western Stock Exchange for the purpose of giving information to the Public with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries, that, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in the Advertisement misleading.

Application has been made to the Councils of The Stock Exchange, London and The Midlands and Western Stock Exchange for permission to deal in and for quotation for the whole of the issued Non-Voting Ordinary Share capital of the Company.

HTV Limited

(Incorporated under the Companies Act 1948)

Share Capital

Authorised:

60,000 in 240,000 Voting Ordinary Shares of 25p each 52,000
2,440,000 in 9,760,000 Non-Voting Ordinary Shares of 25p each 1,022,286
£2,500,000

The above issued Voting and Non-Voting Ordinary Shares rank pari passu as regards participation in profits and assets. Holders of the Non-Voting Ordinary Shares are not entitled to attend or vote at any Meeting of the Company. A summary of the rights, restrictions and provisions attaching to the Voting and Non-Voting Ordinary Shares is set out under the heading "Articles of Association" in General Information. The Board has no present intention of issuing any of the authorised but unissued share capital of the Company.

Issued and
Fully Paid: £ 52,000
1,022,286
£1,074,286

Loan Capital

Created: £1,600,000 8 per cent. Unsecured Loan Stock 1969/74 (250 per cent. paid) Outstanding £1,421,949

The Company has guaranteed the bank overdraft of Independent Television News Limited ("ITN") subject to a limit currently estimated at £90,000. Save as aforesaid the Company does not have outstanding any mortgages, charges, debentures, loan capital, net bank indebtedness or other similar indebtedness, hire purchase commitments or, except in the ordinary course of business, any material guarantees or other material contingent liabilities.

This advertisement is published in connection with an
Introduction arranged by Henry Ansbacher & Co. Limited
in association with Julian S. Hodge & Company Limited



Directors
THE RT. HON. LORD HARLECH, P.C.
A. J. B. GOLDBECK, G.M.B., Farnham,
Merionethshire
ALUN TALFAN DAVIES, Q.C.
(Vice-Chairman), 61 Eaton Crescent,
London, W.1
GEORGE EDWARD MCWATTERS,
(Vice-Chairman), 2 Miles Head, Bristol, &
ANTHONY JOHN GORARD (Managing
Director), The Grosvenor, High Street, Chel-
tenham, Gloucestershire
JOHN AERON-THOMAS, 23 Marlwell Lane,
Newton, Swansea. (Brickmaker)
WILLIAM STANLEY BAKER, Woodcote
Lane, Croydon, Surrey, CR9 1PS
(Actor and Producer)
WILLIAM GERALD BELLOE, 3 Rodney Place,
Bristol, S.1, Director of J. R. Phillips &
Co. Ltd.
SIR FREDERICK MACKARNESS BENNETT,
M.P., Aberangell, Montgomeryshire
(Member of Parliament)
RICHARD JONES, C.B.E., Chelci Areal,
Cefn, Betws, Gwynedd, (Actor)
WILLIAM FREDERICK CARTWRIGHT,
D.L., Castle-upon-Alun, St. Bridget Major,
Bridgend, Glamorganshire. (Deputy
Chairman of the British Steel Corporation.)

JOHN EDMUND CYRIL CLARKE, 7 Princes
Buildings, Clifton, Bristol, S.1 (Solicitor)
ALUN RODERICK EDWARDS, Llanio,
Cardigan, Ceredigion, (Librarian)
SIR GERALD LLIWELYN EVANS, C.B.E.,
34 Birchwood Road, Porth, Wood, Kent.
(Opera Singer)
WALTER STEPHEN HAWKINS, The Loans,
Leamington, Warwickshire. (Newspaper
Publisher)
TREDOFAR ROSEHORN-BROWN, 39 Hurle
Crescent, Clifton, Bristol, S.1 (Director of
Wessex Developments Limited)
JOHN JAMES, 100, Tower Hill, Ascot,
Berks. (Chairman of John James Group
of Companies Limited)
ALUN LLYWELYN-WILLIAMS,
"Pen-Lan", 55 Belmont Road, Bangor,
Caernarvonshire. (University Teacher)
DODD MORTAR, J.W. (A. Parry-
Williams), 10, Westgate, Northgate,
Aberystwyth, Cardiganshire. (Writer and
Broadcaster)
GEORGE HAROLD SYLVESTER, C.B.E.,
43 Hill View, Henleaze, Bristol, S.
(Educationalist)

ERIC LIONEL THOMAS, Pendyfrynn,
Cae Newydd Lane, Oswestry, Shropshire.
LEWIS JOHN WYNFORD WAUGHEN,
15 Raglan House, Castle Court,
Westgate Street, Cardiff. (Examiner
Director)
GILBERT WALCAN-BRIGHT (GERALDO),
Surge, Crabbet Park, Wards, Sussex.
(Director of Geraldo Orchestras Limited)
RONALD WILLIAM WORDLEY, Treetops,
12 Broad Walk, Wimborne Hill, London,
N.12. (Solicitor)
Secretary and Registered Office
TIMOTHY KNOWLES, F.C.A., The Television
Centre, Cardiff, CF1 3XL

Bankers

BARCLAYS BANK LIMITED, 121 Queen
Street, Cardiff, CF1 1SC
NATIONAL WESTMINSTER BANK
LIMITED, 51 Corn Street, Bristol, BS9
T.P.

Brokers

PANMURE GORDON & CO., 21 Austin
Friars, London, EC2N 2ES, and The Stock
Exchange, London.

B. S. STOCK SON & CO., The Bristol and
West Building, Broad Quay, Bristol,
and The Midlands and Western
Stock Exchange.

LYDDON & CO., 113-116 Broad Street,
Cardiff, CF1 6TA, and The Midlands and
Western Stock Exchange.

Solicitors

To the Company:
OSBORNE CLARKE & CO., 39 Queen
Street, Bristol, BS2 1RD
To Henry Ansbacher & Co. Limited and the
introduction:
SLAUGHTER AND MAY, 25 Basinghall
Street, London, EC2V 5DB
To the Company: 8 per cent. Unsecured
Loan Stock 1969/74

THE COMMERCIAL UNION ASSURANCE
COMPANY LIMITED, St. Helen's, 1
Underhill, London, EC2P 2DO
Auditors: B. S. Stock Son & Co. Limited

DELOITTE & CO. (Chartered Accountants),
7 Windsor Place, Cardiff, CF1 6PN
Registrars and Transfer Office
DELOITTE & CO., Bourne House, 34
Beckenham Road, Beckenham, Kent,
BR3 4TU

History and Business

In March, 1967 a Consortium, consisting primarily of representatives of artistic, educational and business interests in Wales and the West of England, was formed in order to make an application to the Independent Television Authority ("the I.T.A.") for appointment as programme contractors for the Wales and West of England area for a period of six years from 30th July, 1968. The application was successful. The Company was incorporated in England as a private company with the name of Harlech Consortium Limited on 28th July, 1967 and was converted into a public company on 8th December, 1967. The name of the Company was changed to Harlech Television Limited on 25th October, 1967 and subsequently to HTV Limited on 26th July, 1971.

The Company commenced transmission of programmes on 4th March, 1968, having acquired the last few months of its predecessor's programme contract at a cost of £500,000 and £46,500 relating to matters connected therewith. The Company operates under a contract with the I.T.A. ("the programme contract") dated 28th July, 1968 as subsequently amended, under which, in return for an annual rental, the Company has the right and the duty to supply programmes for transmission on the I.T.A.'s transmitters in Wales and the West of England. The programme contract runs until 29th July, 1974; however the I.T.A. has announced that they propose to offer all existing programme contractors an extension until 29th July, 1976, subject to continuing adequate performance by the individual programme contractors, possible adjustments in contract areas and a possible rental change in 1974.

The programme contract was obtained on the basis of an application to the I.T.A. in which certain statements were made regarding the policies to be followed by the Company if the application were successful. The Directors intend to continue to fulfil their obligations by producing programmes of high quality, catering for the needs of viewers both in Wales and in the West of England, and for the needs of the Welsh-speaking community. Apart from its programming obligations, the Company also has an obligation to promote and support cultural and other activities considered likely to benefit the quality of the television broadcasting services.

The Company has re-equipped its studios at Bristol for the production of programmes in colour and is currently engaged in the re-equipment of its Cardiff studios. It is anticipated that by mid 1972 almost all the programmes produced by the Company in normal circumstances will be in colour. More than 50 per cent of the programmes purchased by the Company for transmission are in colour and it is expected that this proportion will increase gradually. Each week the Company provides approximately 83 hours of programmes, of which some 56 hours are productions of its studios in Bristol and 8 hours of its studios in Cardiff, including 6 hours in the Welsh language. The remainder of its

programmes are purchased from the independent television contractors, I.T.N. and film distribution companies. Programmes are purchased from the major independent television contractors on terms agreed with the programme contractors, including the Company and the I.T.A.

In connection with the television audience research services provided by Audits of Great Britain Limited to the Joint Industry Committee for Television Advertising Research, it has been estimated that in the area covered by the Company's transmitters in September 1971 there were 4,671,000 people living in 1,555,000 homes of which 1,258,000 homes have television sets capable of receiving independent television transmissions provided by the Company.

Premises and Equipment

The Company's studios and principal administrative offices are at the Television Centre, Cardiff, and the Television Centre, Bristol.

In Cardiff the Company occupies approximately 3.17 acres of freehold and leasehold land, of which 1.2 acres are freehold.

Part of the leasehold land and buildings is at present held under leases from Cardiff Corporation expiring on 1st September, 1987 and 25th March, 2063 respectively, at respective rentals of £250 per annum (rising to £325 per annum) and £600 per annum.

In addition, an Agreement exists with Cardiff Corporation which is terminable on six months' notice, relating to the use by the Company of land adjoining the studios as a Car Park. This land together with further land (amounting in total area to approximately 40,572 square feet) is the subject of an agreement in principle with Cardiff Corporation whereby with effect from 25th March, 1968 a lease would be granted to the Company expiring on 25th March, 2063 at an initial annual rental of £2,175, subject to review in the 25th, 50th and 75th years, and subject to further review in the event of development exceeding 14,004 square feet being carried out thereon by the Company.

There are at Cardiff approximately 28,000 square feet of offices, service areas, facilities directly related to studios and a club house and approximately 7,400 square feet of studio space. The Master Control is situated at Cardiff and has been re-equipped for colour output. One studio at Cardiff has been equipped for colour transmission and in view of the proposed starting of transmission of UHF colour from masts in North Wales in mid 1973, further expenditure has been authorised to re-equip the film and other studio facilities at Cardiff.

The Company's premises at Bristol, which were acquired from T.W.W. Limited, have a total site area of 1.65 acres. There are approximately 43,000 square feet of offices, service areas and other facilities, and 7,200 square feet of studios. The premises are held on a lease for 99 years from 22nd September, 1961 at an exclusive annual rental of £460.

The Company has completed a major reconstruction of the

Bristol Studios and has completed the re-equipment programme for producing separate colour UHF programmes for the Bristol area from the Mendip Transmitter.

The Directors expect that by the end of 1972 the Company will be fully equipped for colour broadcasting. Expenditure already incurred or authorised on technical equipment and buildings, including that for colour broadcasting, excluding amounts paid to T.W.W. Limited, totals approximately £1,700,000.

The Company occupies office accommodation of approximately 8,000 square feet at 97/99 Baker Street, London, W.1, held on a lease of fourteen years from 19th September, 1967 at an exclusive annual rental of £20,500, subject to review in 1974.

The Company also has the following offices:

Location	Approximate Area	Term	Expiry	Annual Rental
Regent House, Regent Street, St. James's, London, W.1	310 sq. ft.	Leasehold	November, 1961	£346
Wrexham, Scotch Life House, Bridge Street, Manchester, Lancashire	360 sq. ft.	Leasehold	June, 1986	£1,215
1 and 2 Glamorgan, Bantam, 8,700 sq. ft. Freehold				Subject to revision

Purchased in July, 1971 at £2,000 per sq. ft.

Management and Staff

Lord Harlech (53), who has been Chairman of the Company since its incorporation, takes an active part in its affairs. The Company has appointed local Boards for Wales and the West of England under the Chairmanship of Mr. A. T. Davies (58) and Mr. G. E. McWatters (49), respectively, who are the Vice-Chairmen of the Company. Mr. A. J. Gorard (44) has been Managing Director of the Company since October, 1967. Mr. L. J. W. Vaughan-Thomas (63) has been a Director of the Company since its incorporation and is an Executive Director. Mr. R. W. Wordley (43) joined the Company as Sales Controller in November, 1968 and was appointed Sales Director on 1st March, 1971. Mr. A. Vaughan (51) has been Programme Controller for Wales since November, 1967, and Mr. P. S. B. Dromgoole (41) has been Programme Controller for the West of England since November, 1968. Mr. W. J. Morgan (42) has been Programme Adviser since September, 1967. The approximate number of persons employed by the Company is 500.

Working Capital

The Directors of the Company are satisfied that, after taking into account the recent call on the Non-Voting Ordinary Share Capital, the uncalled Loan Capital and bank and other facilities available, the Company has sufficient working capital for its present requirements.

Profits, Prospects and Dividends

The profits of £1,161,938 before taxation for the year to 31st July, 1971, shown in the Accountants' Report, were affected by exceptional factors when compared with earlier years.

Advertising revenue for the year was £464,000 in excess of that for the year to 31st July, 1970 and the increase materially exceeded expectations. In addition the Exchequer Levy on advertising revenue was reduced with effect from 26th February, 1971 which resulted in a saving for the year ended 31st July, 1971 of £261,733. The reduction in levy would have amounted to £509,073 had it been in effect throughout the year. The increase in the annual rental payable to the I.T.A. announced at the same time did not come into effect until 1st August, 1971; this rental, after including a further increase with effect from 1st October, 1971, will be £250,566 higher in the current year than in the year ended 31st July, 1971. The I.T.A. are entitled to impose in any year, increases in rental on 1st April and 1st October based on increases in the Index of Retail Prices. Programme budgets for the year to 31st July, 1971 were drawn up on the basis of a lower level of advertising revenue than that ultimately achieved and before the reduction in the Exchequer Levy, which could not be foreseen, was announced. It was impracticable for the increase in programme expenditure which the Directors then authorised to take full effect until after the end of the year to 31st July, 1971.

In accordance with the Directors' continuing policy to expand the range and scope of the Company's programmes, they have budgeted for a substantial increase in expenditure on programmes produced by the Company in the year ending 31st July, 1972, also as a result of the Company's increased advertising revenue in the year ended 31st July, 1971. The scale of charges payable by the Company to the major programming contractors for network programmes has been substantially increased for the year ending 31st July, 1972, compared with that for the previous year. These, together with other additional programme costs, are estimated to show a total increase compared with the year to 31st July, 1971, of not less than £500,000. In addition increases in other costs are expected.

To a great extent costs in the television industry are not directly related to advertising revenue, which is dependent to some extent on factors outside the control of the Company; any variation in advertising revenue can have a disproportionate effect on the profits of the Company. The Directors expect however, that in the absence of unforeseen circumstances, advertising revenue for the current year will be higher than in the year ended on 31st July, 1971, but are not able, at this stage in the year, to forecast the amount of this increase. The Directors are therefore not prepared to forecast profits for the year to 31st July, 1972, which they expect to be lower than in the year ended 31st July, 1971. However, the Directors intend, in the absence of unforeseen circumstances, to pay an interim dividend of 7½ per cent in April 1972 and to recommend payment of a final dividend of not less than 12½ per cent in November, 1972, making not less than 20 per cent for the year.

Accountants' Report

The following is a copy of a report from the Company's auditors and reporting accountants, Messrs. Deloittes & Co. Ltd., Windsor Place, Cardiff, CF1 6PN.

29th October, 1971

Gentlemen,

We have examined the audited accounts of HTV Limited for the period from the incorporation of the company on 26th July, 1967 to 31st July, 1968 and for the three accounting years from 1st August, 1968 to 31st July, 1971 in respect of all of which periods we have been auditors of the company. The company was originally incorporated on 26th July, 1967 and its name was changed to Harlech Television Limited on 28th October, 1967, and to HTV Limited on 29th July, 1971.

A wholly-owned subsidiary company named HTV Limited was incorporated on 8th August, 1970 with an issued capital of £100 and an issued capital of £10. The name of this company was changed to Harlech Television Limited on 26th July, 1971. The company has not traded.

Profits before Taxation

The net advertising revenue, exchequer levy, miscellaneous revenue, depreciation charged in arriving at profits and the profits before taxation, arrived at on the basis stated in notes 1 to 3 below, were as follows:-

(1) (2) (3) (4) (5) (6)

Net Advertising Revenue before Exchequer Levy after Exchequer Levy Miscellaneous Revenue Depreciation before taxation

£ £ £ £ £ £

Stat. July, 1968 (notes 1 and 3 (b)) 2,774,305 269,735 9,116,173 63,383 67,675 853,140

1st July, 1968 2,774,305 269,735 9,116,173 63,383 67,675 853,140

31st July, 1970 6,194,722

A copy of this Prospectus, having attached thereto the documents specified below, has been delivered to the Registrar of Companies in London for registration. Application has been made to the Council of The Stock Exchange, London, for permission to deal in and for quotation for the £20,000,000 8½ per cent. Unsecured Loan Stock 1978/80 of Grand Metropolitan Hotels Limited now being issued. The Application Lists will open at 10 a.m. on Thursday, 4th November, 1971 and will be closed at any time thereafter on the same day.

Grand Metropolitan Hotels Limited

(Incorporated under the Companies Act, 1929)



Share Capital

Authorised	Issued and fully paid
£ 500,000	£ 500,000
1,217,250	1,108,686
72,585,420	48,245,101
10,717,330	10,717,330
85,000,000	60,572,117
Loan Capital	Issued or now being issued
	£
2,750,000	2,277,784
1,500,000	1,458,000
6,024,000	6,024,000
3,900,000	2,839,402
1,000,000	1,000,000
2,000,000	2,000,000
20,000,000	20,000,000
37,174,000	35,589,166
30,525,431	30,372,138
67,699,431	65,971,304

Created	Issued and fully paid
£	£
2,750,000	2,277,784
1,500,000	1,458,000
6,024,000	6,024,000
3,900,000	2,839,402
1,000,000	1,000,000
2,000,000	2,000,000
20,000,000	20,000,000
37,174,000	35,589,166
30,525,431	30,372,138
67,699,431	65,971,304

In addition to the above loan capital of Grand Metropolitan Hotels Limited ("the Company"), subsidiary companies have outstanding £27,136,000 of loan capital, including fixed loans.

The Company and its subsidiaries have secured and unsecured bank and other borrowings which, at 4th October, 1971, amounted to £156,000 and £34,217,000 respectively. The Company has guaranteed the borrowings of associated companies up to a maximum aggregate amount of £1,594,000. Save as mentioned herein and apart from inter-company transactions, neither the Company nor any of its subsidiaries has outstanding any loan capital, mortgages, debentures, bank overdrafts or other similar indebtedness, charges or, except in the ordinary course of trading, any material guarantees, hire-purchase commitments or other contingent liabilities.

For the purposes of the above, conversions into sterling have been made at the exchange rates ruling at 4th October, 1971.

It is the Company's intention to apply the provisions of Section 209 of the Companies Act, 1948 in order to acquire compulsorily the outstanding Ordinary Shares and 4 per cent. Preference Stock of Truman Hanbury Buxton & Company, Limited ("Truman") for which offers were made on 27th August, 1971 and 28th July, 1971 respectively. The acquisition of the outstanding 4 per cent. Preference Stock and Ordinary Shares of Truman would require the issue by the Company of (i) 107,564 42 per cent. Cumulative Preference Shares (ii) 141,181 Ordinary Shares (iii) £153,233 of 10 per cent. Convertible Unsecured Loan Stock 1991/96 (iv) 64,545 Warrants to subscribe for Ordinary Shares and (v) £225,906 of 8½ per cent. Unsecured Loan Stock 1977/79, or the payment of £226,906 in cash.

Issue of £20,000,000 8½ per cent. Unsecured Loan Stock 1978/80 at £99 per cent.

Payable as follows:

On Application at the rate of £10 per £100 of Stock applied for
On or before 14th January, 1972 at the rate of £40 per £100 of Stock allotted
On or before 29th March, 1972 at the rate of £49 per £100 of Stock allotted

£99

S. G. Warburg & Co. Limited

The first payment of interest on the Stock, amounting to £3.20 (less income tax) per £100 nominal of Stock, will be made on 30th June, 1972. The second payment of interest amounting to £2.12 (less income tax) per £100 nominal of Stock will be made on 30th September, 1972. Thereafter interest will be payable by equal half-yearly instalments on 31st March and 30th September in each year.

Directors

Maxwell Joseph (Chairman), 55, Grosvenor Street, London, W1X 9DB.
Alan Brand Fairley (Deputy Chairman), 15, Grove End Road, St. John's Wood, London, NW8 8SD.
Stanley Gordon Grinstead, F.C.A. (Joint Managing), Longmead, Hattembury Lane, St. Martin's, Guildford, Surrey.
Henry Sharp, F.C.A. (Joint Managing), 29, Hall Lane, Upperton, Essex.
Eric Bernard, 74, Ebury Street, London, SW1W 9OD.
Frank Berni, Rockmount, Gorey, Jersey, C.I.
Fred Kobler, 30, Roebuck House, Palace Street, London, SW1E 5BA.
John Edward Lilley, Westington Mill, Chipping Campden, Gloucestershire.
Samuel Moss Maser, F.R.I.C.S., Pelham, Peasmarsh, Rye, Sussex.
Victor Milchon, D.L., 125, High Holborn, London, WC1V 6OA.
Eric Douglas Morley, 1, Woodhall Avenue, College Road, London, SE21 7HL.
Eric Kirby Roberts, Fritchote, Watford Road, Northwood, Middlesex.
Derek Albert Joseph Taylor, 4, Rowan Walk, London, NW2 0QJ.
Eric Edward Williamson, M.A., 5, Swancombe, Clapton-in-Gordano, Nr. Bristol.

Principals Bankers

Barclays Bank Limited, Lloyds Bank Limited, Midland Bank Limited, National Westminster Bank Limited and The Royal Bank of Scotland Limited.

Trustees

Alliance Assurance Company Limited, 1, Bartholomew Lane, London, EC2N 2AB.

Receiving Bankers to the Issue

Barclays Bank Trust Company Limited, New Issues Division, P.O. Box 78, Malvern House, 72, Upper Thames Street, London, EC4P 4BJ.

Solicitors

To the Company and S. G. Warburg & Co. Limited: Slaughter and May, 35, Basinghall Street, London, EC2V 5DB.
To the Trustees: Linklaters & Paines, Barrington House, 59-67, Gresham Street, London, EC2V 7JA.

Auditors

Thomson McLeckie & Co. (Chartered Accountants), 33, King William Street, London, EC4R 9EE.

Brokers

Pannure Gordon & Co., 21, Austin Friars, London, EC2N 2ES, and The Stock Exchange, London.

Joint Secretaries and Registered Office

Dennis John Dickinson, F.C.A. and Norman Alfred Fowler, F.C.A., Grand Metropolitan House, 7-8, Stratford Place, London, W1N 0AJ.

Registrars and Transfer Office

Barclays Bank Trust Company Limited, Registration Division, P.O. Box 47, Clements House, Gresham Street, London, EC2P 2AT.

Copies of this Prospectus and of the Application Form may be obtained from:

S. G. Warburg & Co. Limited, 30, Gresham Street, London, EC2P 2EB; Paragon Gordon & Co., 21, Austin Friars, London, EC2N 2ES; and Barclays Bank Trust Company Limited, New Issues Division, P.O. Box 78, Malvern House, 72, Upper Thames Street, London, EC4P 4BJ and from principal branches of Barclays Bank Limited.

Procedure for Application. Applications, which must be made on the Application Forms provided, must be for a minimum of £100 of the Stock or multiples thereof up to and including £1,000 of the Stock; applications for more than £1,000 of the Stock up to and including £5,000 of the Stock must be in multiples of £500; applications for more than £5,000 of the Stock up to and including £10,000 of the Stock must be in multiples of £1,000; and applications for more than £10,000 of the Stock must be in multiples of £5,000.

Applications made by persons holding any share capital or loan capital of the Company, who were registered as holders (with addresses in the United Kingdom or the Republic of Ireland) on 11th October, 1971 will, if made on the pink form made available to them, receive preferential consideration in respect of up to 50 per cent. of the issue.

Each application must be accompanied by a separate remittance for the full amount payable on application, namely £10 per cent., and must be forwarded to Barclays Bank Trust Company Limited, New Issues Division, P.O. Box 78, Malvern House, 72, Upper Thames Street, London, EC4P 4BJ. Cheques must be drawn on a bank or a branch thereof in England, Scotland or Wales and must be made payable to Barclays Bank Trust Company Limited and crossed "Not Negotiable". All cheques are liable to be presented for payment. If no allotment is made, or if less than the amount applied for is

allotted, the amount paid on application or the balance thereof will be returned in full by cheque sent by post at the risk of the applicant.

Payment of instalments may be made at any time before the due date but no discount or interest will be allowed on such repayment. Failure to pay any amount when due will render the allotment liable to cancellation and any amount previously paid in respect thereof liable to forfeiture. Interest at the rate of 8½ per cent. per annum may be charged on any instalment if accepted after its due date.

Allotment Letters will be renounceable up to and including 28th April, 1972. After that date they will not be accepted for registration of renunciations and the Stock will on that date be registered in the name(s) of the original allottee(s) and thereafter will be transferable only by transfer subject to stamp duty.

Acceptance of applications (including undrawn applications) will be conditional upon the Council of The Stock Exchange, London, granting permission to deal in and for quotation for the Stock not later than Tuesday, 9th November, 1971. Moneys paid in respect of applications will be returned if such permission and quotation are not granted by that date and, in the meantime, will be retained in a separate account by Barclays Bank Trust Company Limited.

HISTORY AND DEVELOPMENT OF THE BUSINESS

The Company was incorporated in England in 1934 and became a public company under the name of Mount Royal Limited in 1961. It merged its name to Grand Metropolitan Hotels Limited in July, 1962 following a series of mergers and acquisitions earlier in that year. In recent years the Company has made several major acquisitions of companies engaged in service industries.

The principal activity of the Company and its subsidiaries ("the Group") is the ownership and operation of high and medium class hotels and licensed and unlicensed catering. The Company currently operates 27 hotels in the United Kingdom, of which 21 are situated in London. In addition, it has a significant chain of hotels abroad in principal cities in Europe and in the U.S.A. In September, 1969 the Company acquired Express Dairy Company, Limited ("Express Dairy"), which is one of the two largest companies in the United Kingdom dairy industry. Express Dairy, which sold approximately 180 million gallons of milk in the year ended 30th September, 1971, also produces milk products such as cheese, cream, butter and yogurt and owns some 150 dairy/grocery shops.

In 1970 the Company extended its catering and entertainment interests by acquiring Berni Inns Limited ("Berni"), which was to be the forefront in the development and popularisation of licensed steak bars, and Mecca Limited ("Mecca") which, in addition to its extensive interests in the field of public entertainment, operates a number of important banqueting rooms and restaurants, more than 250 public and specialty houses and hotels under the Berni Inns and Chef and Brewer signs, some 90 restaurants in the Empire Catering group, and the Express Dairy teashops and Chicken Inn restaurants. The Company's industrial catering subsidiaries supply meals to over 800 canteens, staff restaurants, clubs and schools.

Mecca's interests in the field of public entertainment include the operation of dance halls, bingo halls, chains of betting shops and gaming clubs.

More recently, in August, 1971, the Company acquired control of Truman, which owns a brewery in London and approximately 1,100 public houses, most of which are situated in the South-East of England. A subsidiary of Truman retails wines and spirits through some 90 off-licences.

Future Prospects

The benefits from the rationalisation and integration of the subsidiaries acquired by the Company during the last two years have still to be fully realised and the Directors believe that the prospects for continued growth and increased profitability remain excellent.

Proceeds of the Issue and Working Capital

The net proceeds of the issue are estimated to amount to £19,275,000 and will be applied in reducing bank overdrafts in the United Kingdom.

Taking into account the proceeds of the issue and the bank overdraft and other facilities available to the Group, the Directors are satisfied that the Group has adequate working capital for present requirements.

Net Assets

The pro-forma statement for the Group and Truman set out in the Auditors' Report, based on the consolidated balance sheet of the Company as at 30th September, 1970 and on the consolidated balance sheet of Truman as at 31st March, 1971, after adjusting for the acquisition of the whole of the issued share capital of Truman and the issue in December, 1970 of U.S. \$15 million 9½ per cent. Bonds 1986, shows total net assets, before deducting loan capital and minority interests but excluding the excess cost of shares in subsidiaries over the book value of their net tangible assets, of £120,986,000. Adding the estimated net proceeds of the Stock now being issued (£19,275,000) gives a total of £140,271,000. The loan capital of the Group, including the Stock now being issued, amounts to £93,107,000.

Profits

The Directors have re-examined the profit estimate of approximately £19 million for the year ended 30th September, 1971 made on 28th July, 1971 in connection with the offers for Truman and confirm that the consolidated profits of the Group (excluding Truman) after deducting interest and all other charges, but before deducting tax and amounts attributable to minority interests, will be approximately £19 million. This compares with £14,857,000 for the year ended 30th September, 1970.

Based on the above estimated profit of £19 million, which was arrived at after charging £4,369,000 of interest on loan capital, and on the consolidated profit of Truman for the year ended 31st March, 1971, the combined profit of the Group (including Truman), after adjusting for interest on bank overdrafts incurred on the acquisition of Truman and not to be repaid out of the proceeds of the issue, but before loan interest and tax would be approximately £26,316,000. The annual gross interest payable on the loan capital of the Group (including Truman) at present in issue, added to the annual gross interest of £1,700,000 payable on the Stock now being issued, gives a total of £7,834,000.

PARTICULARS OF THE STOCK

The 8½ per cent. Unsecured Loan Stock 1978/80 ("the Stock") was created by a Resolution of the Board of Directors of the Company passed on 28th October, 1971 and will be constituted by a Trust Deed in favour of Alliance Assurance Company Limited as Trustee. The Trust Deed will contain provisions (inter alia) to the following effect:—

1. Interest: The Stock will carry interest at the rate of 8½ per cent. per annum. The first payment of interest (calculated from the date of issue to 30th June, 1972 and thereafter at 30th June each year) will be made on 30th June, 1972 and will amount to £3.20 (less income tax) per £100 nominal of Stock. The second payment of interest (calculated from the date of issue to 30th September, 1972 and thereafter at 30th September each year) will be made on 30th September, 1972 and will amount to £2.12 (less income tax) per £100 nominal of Stock. Thereafter interest will be payable by equal half-yearly instalments on 31st March and 30th September in each year.

2. Redemption and Purchase: The Stock may be redeemed or purchased at any time after 31st March, 1978 to redeem the whole or any part (to be accounted for by drawings) of the Stock for the time being outstanding at par, together with accrued interest, upon giving not less than three months' notice in writing.

3. Conversion: The Stock will convert into shares of the Company at the rate of 100 shares of 50p in respect of £100 nominal of Stock. The Stock will be converted into shares of the Company at the rate of 100 shares of 50p in respect of £100 nominal of Stock.

4. All Stock not previously redeemed or purchased will be repaid at par, together with accrued interest, on 31st March, 1980.

(a) The Company may at any time purchase Stock either on any recognised Stock Exchange or by tender available to all Stockholders alike at any price or by private treaty at a price not exceeding £110 per cent. (inclusive of accrued interest but exclusive of all costs of purchase) but not otherwise.

(b)

ADVERTISEMENT

DATASOLVE INTERNATIONAL

A Workmanlike Base for Future Expansion

By TED SCHOETERS

"Presentable, workmanlike, been a particularly happy the storms in the March-June into high technology for technolog- Europe is through an alliance routine encountered in busi- which the Old Street installation noise and provides better tem- but certainly not lavish; having moment for the management period better than most and we ness. The latest.

the undoubted attraction that there is plenty of room to ex- when, in early April, Rothschild

Investment Trust consolidated its Concord Computer Centre under the DataSolve International name.

Clive Richards, chief executive of DataSolve International and of Rothschild Investment Trust

describes the new DataSolve headquarters in Old Broad Street.

Ceremonially opened to-day by Mr. Harold Wilson, the premises are a conversion of a former Salvation Army hostel and apart from a high efficiency air conditioning system which has cost around £30,000, comparatively little has been expended compared with the very large sums this so-called glamour industry generally seems to lay out on the launching of new operations or services.

Wary approach

But the whole approach of DataSolve and of its senior management appears much more wary than that of most of its contemporaries. Offering a series of services right across the computing market, the company has sensitive feelers out all the time and it cannot have

"For this reason we weathered

the storms in the March-June into high technology for technolog-

logy's sake with the inescapable rather than a conquest. There-

need thereafter to sell a dear fore the company is seeking to

product to cover costs. "There move closer to a similar is nevertheless the area in ICL which is operating, so to

is going to be a good resetting organisation in France, Belgium

Period," he insists.

As a result of this philosophy, uncommon in an industry only too deeply influenced by the

heady years of 30 to 50 per cent.

At the time, software services

were feeling the very severe

pinch which came after deci-

malisation had been completed

and all the "fire brigade" pro-

gram and systems staff had gone

back from clients to their own

offices. The downturn had been

expected—it was worse than

anticipated because of the

economic situation.

This is why, for several

months, DataSolve has sought

stability rather than fast growth

through new acquisitions.

"Stability at a time when some

resounding failures were un-

settling the whole services

market was of considerable

importance to us," says Clive

Richards. "We could have taken

over several much-publicised

organisations, but it would not

have been wise, however techni-

cally glamorous they may have

been. We limited our acquisi-

tions to two relatively small

groups.

"For this reason we weathered

the storms in the March-June into high technology for technolog-

logy's sake with the inescapable rather than a conquest. There-

need thereafter to sell a dear fore the company is seeking to

product to cover costs. "There move closer to a similar is nevertheless the area in ICL which is operating, so to

is going to be a good resetting organisation in France, Belgium

Period," he insists.

As a result of this philosophy, uncommon in an industry only too deeply influenced by the

heady years of 30 to 50 per cent.

At the time, software services

were feeling the very severe

pinch which came after deci-

malisation had been completed

and all the "fire brigade" pro-

gram and systems staff had gone

back from clients to their own

offices. The downturn had been

expected—it was worse than

anticipated because of the

economic situation.

This is why, for several

months, DataSolve has sought

stability rather than fast growth

through new acquisitions.

"Stability at a time when some

resounding failures were un-

settling the whole services

market was of considerable

importance to us," says Clive

Richards. "We could have taken

over several much-publicised

organisations, but it would not

have been wise, however techni-

cally glamorous they may have

been. We limited our acquisi-

tions to two relatively small

groups.

"For this reason we weathered

the storms in the March-June into high technology for technolog-

logy's sake with the inescapable rather than a conquest. There-

need thereafter to sell a dear fore the company is seeking to

product to cover costs. "There move closer to a similar is nevertheless the area in ICL which is operating, so to

is going to be a good resetting organisation in France, Belgium

Period," he insists.

As a result of this philosophy, uncommon in an industry only too deeply influenced by the

heady years of 30 to 50 per cent.

At the time, software services

were feeling the very severe

pinch which came after deci-

malisation had been completed

and all the "fire brigade" pro-

gram and systems staff had gone

back from clients to their own

offices. The downturn had been

expected—it was worse than

anticipated because of the

economic situation.

This is why, for several

months, DataSolve has sought

stability rather than fast growth

through new acquisitions.

"Stability at a time when some

resounding failures were un-

settling the whole services

market was of considerable

importance to us," says Clive

Richards. "We could have taken

over several much-publicised

organisations, but it would not

have been wise, however techni-

cally glamorous they may have

been. We limited our acquisi-

tions to two relatively small

groups.

"For this reason we weathered

the storms in the March-June into high technology for technolog-

logy's sake with the inescapable rather than a conquest. There-

need thereafter to sell a dear fore the company is seeking to

product to cover costs. "There move closer to a similar is nevertheless the area in ICL which is operating, so to

is going to be a good resetting organisation in France, Belgium

Period," he insists.

As a result of this philosophy, uncommon in an industry only too deeply influenced by the

heady years of 30 to 50 per cent.

At the time, software services

were feeling the very severe

pinch which came after deci-

malisation had been completed

and all the "fire brigade" pro-

gram and systems staff had gone

back from clients to their own

offices. The downturn had been

expected—it was worse than

anticipated because of the

economic situation.

This is why, for several

months, DataSolve has sought

stability rather than fast growth

through new acquisitions.

"Stability at a time when some

resounding failures were un-

settling the whole services

market was of considerable

importance to us," says Clive

Richards. "We could have taken

over several much-publicised

organisations, but it would not

have been wise, however techni-

cally glamorous they may have

been. We limited our acquisi-

tions to two relatively small

groups.

"For this reason we weathered

the storms in the March-June into high technology for technolog-

logy's sake with the inescapable rather than a conquest. There-

need thereafter to sell a dear fore the company is seeking to

product to cover costs. "There move closer to a similar is nevertheless the area in ICL which is operating, so to

is going to be a good resetting organisation in France, Belgium

Period," he insists.

As a result of this philosophy, uncommon in an industry only too deeply influenced by the

heady years of 30 to 50 per cent.

At the time, software services

were feeling the very severe

pinch which came after deci-

malisation had been completed

and all the "fire brigade" pro-

gram and systems staff had gone

back from clients to their own

offices. The downturn had been

expected—it was worse than

anticipated because of the

economic situation.

This is why, for several

months, DataSolve has sought



A patient in Charing Cross hospital undergoing a cardiac analysis on a computer in Belgium through a transnational data link. This demonstration was staged recently by DataSolve International for cardiologists and Ministry of Health staff. It relied on a system developed in the U.S. and in use there for 12 months. The results of the analysis are available within 30 minutes by Telex from the Brussels centre but this time could be greatly reduced by setting up such a service in Britain.

Bigger capacity (Contd.)

Continued from previous page moment, both from unhappy computer users who are getting of large networks linked into quite deliberately maintained to growth of their current equipment services which have a reputation to make access to such a large earlier than obsolescence would as providing expert support in market slice simpler. Odd man out perhaps is the Leo 3 computer, which commands something like 80 per cent of the market by value. Mr. Woolnough indicates

Nevertheless, because existing European clients more and more are tending to welcome the idea of being able to gain immediate access to the computer equipment they are using, without having to leave their own offices, there is pressure on service centres to provide such facilities.

Already, some of the largest bureaux have made confident claims that they can halve the cost of computing for the small to medium organisation using their own data processing equipment and it is certain that a great deal of business is being captured in this way at the capability.

Little doubt

There is little doubt that many companies are now becoming "computer shy" and would much rather delegate the function of evaluating and selecting equipment—and running it—to people who have an obvious future.

"Part of the present malaise in the computing services industry is a general lack of marketing expertise" says Mr. A. J. Woolnough, sales and marketing director of DataSolve. Hasteing to add: "I am not a computer man, my background is in general management," he says gained a considerable reputation for the team which quite bluntly in too many instances data processing centres have been entirely developed by the technicians, who put the outside users after a decision machines first and then tried to sell their capacity.

Too many centres are there- fore production-oriented; marketing and user problems "come pretty far down the list." Indeed, in some instances, marketing in its proper sense does not exist. This was perhaps not too hard to live with when the industry was growing by leaps and bounds but in the tough competitive conditions that to-day prevail, an attitude such as this carries the seeds of disaster.

This is not to say that DataSolve will always be trembling on the brink of new systems or new applications for them. The group "must stay in the forefront of technical advances in machines"—hence the 1903A and the 4s with its time-sharing capability. But "let's see the profit first," is rule number one according to Mr. Woolnough.

Looking at the history of the group, he and his predecessors appear to have applied this rule throughout its existence.

The result is a compact organisation which is running machines similar to equipment which commands something like 80 per cent of the market by value. Mr. Woolnough indicates that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

Further impetus to the growth of large networks linked into quite deliberately maintained to growth of their current equipment services which have a reputation to make access to such a large earlier than obsolescence would as providing expert support in market slice simpler. Odd man out perhaps is the Leo 3 computer, which commands something like 80 per cent of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

that the machine mix is being taken to the growth of the market by value. Mr. Woolnough indicates

